

of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included therein.

Section 2. This act shall take effect immediately.

APPROVED—The 24th day of November, A. D. 1967.

RAYMOND P. SHAFER

No. 274

AN ACT

SB 887

Amending the act of May 5, 1933 (P. L. 289), entitled, as amended, "An act relating to corporations; defining and providing for the organization, merger, consolidation, and dissolution of certain corporations not for profit; conferring certain rights, powers, duties, and immunities upon them and their officers and members; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations within the provisions of this act; prescribing the terms and conditions upon which certain foreign corporations may be admitted or may continue to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, prothonotaries of such courts, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State departments to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations and other entities," making further provisions relating to nonprofit medical, dental, osteopathic and optometric service corporations; extending the provisions of said act relating to the furnishing of medical, dental, osteopathic and optometric services by nonprofit medical, dental, osteopathic and optometric service corporations so as to include the furnishing of podiatry services to subscribers and their dependents, and providing that the articles of incorporation of existing nonprofit medical, dental, osteopathic and optometric service corporations are amended by the provisions of this act so as to authorize the furnishing of podiatry services by doctors of podiatry and so as to authorize such corporations to act as an agency or organization in connection with certain governmental and non-governmental health care programs.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 219, act of May 5, 1933 (P. L. 289), known as the "Nonprofit Corporation Law," amended May 21, 1943 (P. L. 356) and December 27, 1965 (P. L. 1250), is amended to read:

Section 219. Special Procedure for Incorporation of Nonprofit Medical, Dental, Osteopathic, [and] Optometric and Podiatry Service Corporations.—

(a) Nine or more natural persons of full age and of either sex, married or single, all of whom are residents of the Commonwealth and citizens of the United States: Provided, however, That a majority of said persons are doctors of medicine, may form a nonprofit corpora-

tion, under the provisions of this act, having for its purpose the establishing, maintaining, and operating of a nonprofit medical, dental, osteopathic, [and] optometric and podiatry service plan, whereby medical, dental, osteopathic, [or] optometric or podiatry services may be provided to persons of low income and persons of over-income and their dependents: Provided, however, That in the case of a nonprofit corporation created under this act the primary purpose of which is to provide an optometric service plan in accordance with this act and related acts, the incorporators shall be nine or more natural persons of full age and of either sex, married or single, all of whom are residents of this Commonwealth and citizens of the United States, a majority of whom are duly licensed optometrists.

The requisites for persons of low income eligible for medical, dental, osteopathic, [or] optometric or podiatry services shall be fixed from time to time by the members of such corporation. Such requisites shall afford due consideration to the marital status and to the number of dependents of the persons involved, and shall be consistent with the policy of providing medical, dental, osteopathic, [or] optometric or podiatry services to persons who are unable to provide such services for themselves or their dependents without depriving themselves or their dependents of such necessities of life as food, clothing, and shelter, and requisites thus fixed shall be subject to the approval of the Insurance Commissioner of the Commonwealth of Pennsylvania. All persons not meeting the requisites for persons of low income as thus fixed shall be persons of over-income.

(b) For the purposes of this act only and not for the purposes of defining medical practice, dental practice, osteopathic practice, [or] optometric practice or podiatry practice as such, the terms stated below have the meanings assigned to them respectively.

“Medical services” means the general and usual services rendered and care administered by doctors of medicine as defined in the Medical Practice Act of June 3, 1911 (P. L. 639) and its amendments. “Dental services” means the general and usual services rendered and care administered by doctors of dental surgery. [serving in the capacity of staff members of accredited hospitals, provided such services are rendered in an accredited hospital.] “Osteopathic services” means the general and usual services rendered and care administered by doctors of osteopathy as defined in the Osteopathic Practice Act, of March 19, 1909 (P. L. 46), and its amendments and “optometric services” means the general and usual services rendered and care administered by doctors of optometry as defined in the act of March 30, 1917 (P. L. 21) and its amendments. “Podiatry services” means the general and

usual services rendered and care administered by doctors of podiatry as defined in the Podiatry Act of 1956, act of March 2, 1956 (P. L. 1206), reenacted and amended August 24, 1963 (P. L. 1199), and its amendments.

“Persons with dependents” means any person who furnishes other persons with their chief support, whether or not such dependent person is related to or living with him.

“Subscribers of low income” means persons of low income who subscribe to a nonprofit medical, dental, osteopathic, [and] optometric and podiatry service corporation plan.

“Subscribers of over-income” means persons of over-income who subscribe to a nonprofit medical, dental, osteopathic, [and] optometric and podiatry service corporation plan.

“Department of Health” means the Department of Health of the Commonwealth.

(c) Whenever the articles of incorporation of any such corporation are filed with the prothonotary, he shall forthwith transmit the articles to the Department of Health. Thereupon the department shall make a thorough investigation of the proposed corporation, the area in, and the plan under which, it proposes to operate, and within thirty days shall certify, upon the articles, whether or not the proposed corporation meets with the approval of the department. If the same shall be approved by the Department of Health, the prothonotary shall forthwith transmit the articles to the Insurance Department. Thereupon the Insurance Department shall make a thorough investigation of the proposed ¹corporation, the area in, and the plan under which, it proposes to operate, and within thirty days shall certify, upon the articles, whether or not the proposed corporation meets with the approval of the department. The court shall not approve such application unless and until the articles are returned by the Insurance Department, and unless both the Department of Health and the Insurance Department shall have endorsed its approval thereon.

(d) The court shall be guided solely by public necessity and public interest and welfare in approving or disapproving the articles of incorporation.

(e) Any nonprofit medical, dental, osteopathic, optometric and podiatry service corporation subject to the provisions of this act and its amendments may, with the approval of the Insurance Department, act as a contracting agency or organization under section

¹ “corporation” in original.

1842 of Title XVIII of the Federal Social Security Act, 42 U.S.C., section 301 et seq. and its amendments with power to perform all the services which may be required of an agency or organization thereunder and may perform administrative services similar or related to those which may be required of an agency or organization as aforesaid in connection with a Federal, State or local governmental health care program and may perform administrative services similar or related to those which may be required of an agency or organization as aforesaid in connection with or associated with non-governmental organizations, individuals, groups and agencies in the health care field.

Section 2. Sections 317, 510 and 1005 of the act, amended December 27, 1965 (P. L. 1250), are amended to read:

Section 317. Requirements of Nonprofit Medical, Dental, Osteopathic, [and] Optometric and Podiatry Service Corporations.—No nonprofit medical, dental, osteopathic, [and] optometric and podiatry service corporation shall be incorporated under this act, unless it has set up a minimum reserve of twenty-five thousand dollars for the exclusive purpose of meeting the contractual obligations of its subscribers: Provided, however, That all or any part of said twenty-five thousand dollars ¹ may be in the form of borrowed money to be repaid in whole or in part from surplus only when authorized by two-thirds of the duly constituted members of the board of directors of such corporation and approved by the Insurance Commissioner of the Commonwealth.

Section 510. Board of Directors of Nonprofit Medical, Dental, Osteopathic, [and] Optometric and Podiatry Service Corporations.—The business of every nonprofit medical, dental, osteopathic, [and] optometric and podiatry service corporation, except nonprofit dental service corporations, incorporated under the provisions of section two hundred twenty of this act, shall be managed by at least nine natural persons of full age and of either sex, all of whom shall be residents of the Commonwealth and citizens of the United States: Provided, however, That a majority of said persons shall at all times be doctors of medicine. Nonprofit dental service corporations, incorporated under section two hundred twenty of this act, shall be managed by at least twenty-five natural persons of full age and of either sex, all of whom shall be residents of the Commonwealth and citizens of the United

¹ "mey" in original.

States, a majority of whom shall at all times be doctors of dental surgery. In the case of nonprofit corporations incorporated under this act the primary purpose of which is to provide an optometric service plan in accordance with this act and related acts, such corporation shall be managed by at least nine natural persons of full age and of either sex, all of whom shall be residents of the Commonwealth and citizens of the United States, a majority of whom shall at all times be duly licensed optometrists.

Section 1005. Dissolution.—No nonprofit medical, dental, osteopathic, [and] optometric and podiatry service corporation subject to the provisions of this act and its amendments, shall be dissolved, in the manner provided by law, except with the prior approval of the Insurance Department. No court of common pleas shall enter a decree dissolving such a corporation unless and until a certificate of approval by the Insurance Department is filed with such court. Any dissolution or liquidation of a corporation subject to the provisions of this act shall be under the supervision of the Insurance Commissioner, who shall have all powers with respect thereto granted to him under existing laws governing the dissolution or liquidation of insurance companies.

Section 3. The provisions of this act authorizing nonprofit medical, dental, osteopathic, optometric and podiatry service corporations to provide medical services through doctors of medicine, dental services through doctors of dental surgery, osteopathic services by doctors of osteopathy, optometric services through doctors of optometry, or podiatry services through doctors of podiatry, to subscribers of low income and their dependents, and to subscribers of over-income and their dependents, shall be applicable to any nonprofit corporation heretofore incorporated under the provisions of section 219 of the "Nonprofit Corporation law," and its amendments, and the articles of incorporation of any such corporation heretofore formed, are hereby amended by the provisions of this act so as to authorize any such corporation to furnish podiatry services through doctors of podiatry and so as to authorize any such corporation to act as a contracting agency or organization, as set forth in section 1 (section 219 (e)) of this act.

Section 4. This act shall take effect immediately.

APPROVED—The 24th day of November, A. D. 1967.

RAYMOND P. SHAFER