

Bill Summary

COMMITTEE: Banking and Insurance

DATE: 6/3/14

PRIME SPONSOR: Killion

BILL NO: HB 1575

PREPARED BY: Carlton Logue

PRINTER'S NO: 2503

A. Synopsis:

Amends Title 15 (Corporations and Unincorporated Associations) to allow a Health Maintenance Organization to be organized as a Limited Liability Company.

B. Summary:

HB 1575 in conjunction with HB 1574 will permit a Health Maintenance Organization or HMO that is organized by one or more corporations to operate as a Limited Liability Company or LLC. The current prohibition of a HMO operating as a LLC limits certain business opportunities for non-profit HMO's that have both for-profit and non-profit hospital owners. For-profit owners are not able to receive their full share of the net proceeds under Pennsylvania law applicable to all non-profit corporations.

Effective date: 60 days