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

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

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

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

SUMMARY

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