



**SENATE, No. 2691**

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

INTRODUCED NOVEMBER 8, 2001

**Sponsored by:**  
**Senator GERALD CARDINALE**  
**District 39 (Bergen)**

**SYNOPSIS**

Clarifies membership of board of directors of foundation created pursuant to the conversion of a health service corporation.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/20/2001)**

S2691 CARDINALE

2

1 AN ACT concerning certain commissions and boards in regard to the  
2 conversion of a health service corporation to a domestic stock  
3 insurer and amending P.L.2001, c.131.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 20 of P.L.2001, c.131 (C.17:48E-68) is amended to  
9 read as follows:

10 20. a. There is established in, but not of, the Department of the  
11 Treasury a Health Service Corporation Conversion Temporary  
12 Advisory Commission. The advisory commission shall consist of 15  
13 members. Seven members shall be appointed by the Governor,  
14 including two public members, one physician licensed to practice  
15 medicine in New Jersey, one licensed health care provider other than  
16 a physician, one representative of the dental community, one  
17 representative of a community based organization that provides or  
18 assists in providing health care or health care services to New Jersey  
19 residents and one representative of the AFL-CIO. Three members  
20 shall be appointed by the President of the Senate, including one public  
21 member, one representative of the hospital community and one  
22 physician licensed to practice medicine in New Jersey. One public  
23 member shall be appointed by the Minority Leader of the Senate.  
24 Three members shall be appointed by the Speaker of the General  
25 Assembly, including one public member, one representative of the  
26 hospital community and one representative of a community based  
27 organization that provides or assists in providing health care or health  
28 care services to New Jersey residents. One public member shall be  
29 appointed by the Minority Leader of the General Assembly. The  
30 members shall be appointed for a term of three years. Each member  
31 shall hold office until reappointed or a successor is appointed and  
32 qualified. A vacancy in the membership of the advisory commission  
33 shall be filled for an unexpired term in the same manner provided for  
34 the original appointment. Members shall serve without fee or  
35 compensation. The **[foundation]** advisory commission shall  
36 commence its activities upon appointment of at least a majority of its  
37 initial **[board of directors]** members.

38 The advisory commission shall, in anticipation of a conversion of a  
39 health service corporation as authorized under this act, examine issues  
40 related to access to affordable, quality health care for underserved  
41 individuals and promoting fundamental improvements in the health  
42 status of New Jerseyans, and may review experiences in other states  
43 related to the establishment of foundations in **[other states resulting**

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 from the conversion of] connection with the conversion of non-profit  
2 health insurers similar to health care service corporations licensed to  
3 do business in New Jersey. The advisory commission shall advise the  
4 Attorney General and Commissioner of Banking and Insurance as to  
5 its findings on these issues. The Department of the Treasury shall  
6 provide the advisory commission with such assistance as the advisory  
7 commission may require in order to perform its duties under this act.  
8 The advisory commission may engage the services of advisors and  
9 consultants in order to assist in the performance of its duties under this  
10 act.

11 b. [Members of the advisory commission appointed pursuant to  
12 subsection a. of this section shall serve as the initial board of directors  
13 of a foundation established pursuant to this act until such time as the  
14 terms of their appointments expire. The advisory commission  
15 established pursuant to subsection a. of this section shall expire upon  
16 establishment of a foundation in accordance with this act.] Upon the  
17 creation of a foundation pursuant to section 19 of P.L.2001, c.131  
18 (C.17:48E-67) and the approval of the foundation by a court of  
19 competent jurisdiction, the advisory commission created pursuant to  
20 subsection a. of this section shall be dissolved. The foundation shall  
21 have a board of directors consisting of 15 members. Seven members  
22 shall be appointed by the Governor, including two public members,  
23 one physician licensed to practice medicine in New Jersey, one  
24 licensed health care provider other than a physician, one representative  
25 of the dental community, one representative of a community based  
26 organization that provides or assists in providing health care or health  
27 care services to New Jersey residents and one representative of the  
28 AFL-CIO. Three members shall be appointed by the President of the  
29 Senate, including one public member, one representative of the  
30 hospital community and one physician licensed to practice medicine in  
31 New Jersey. One public member shall be appointed by the Minority  
32 Leader of the Senate. Three members shall be appointed by the  
33 Speaker of the General Assembly, including one public member, one  
34 representative of the hospital community and one representative of a  
35 community based organization that provides or assists in providing  
36 health care or health care services to New Jersey residents. One public  
37 member shall be appointed by the Minority Leader of the General  
38 Assembly. The members of the board of the foundation shall be  
39 appointed for a term of three years. Each member shall hold office  
40 until reappointed or a successor is appointed and qualified. A vacancy  
41 in the membership of the board shall be filled for an unexpired term in  
42 the same manner provided for the original appointment. Members  
43 shall serve without fee or compensation. The foundation shall  
44 commence its activities upon the appointment of at least a majority of  
45 its initial board of directors. In the event more than one foundation is  
46 established pursuant to this act, the board of directors of any such

1 additional foundations shall be appointed in compliance with the  
2 requirements of this subsection [a. of this section].

3 (cf: P.L.2001, c.131, s.20)

4

5 2. This act shall take effect immediately.

6

7

8

STATEMENT

9

10 This bill clarifies the provisions concerning the establishment of a  
11 Health Service Corporation Conversion Temporary Advisory  
12 Commission and the board of directors of a foundation established  
13 because of the conversion of a health service corporation to a for-  
14 profit domestic health insurer and the establishment of a foundation for  
15 the value of that corporation. The bill provides that upon the creation  
16 of a foundation and the approval of that foundation by a court, any  
17 Health Service Corporation Conversion Temporary Advisory  
18 Commission that has been established pursuant to the conversion is  
19 dissolved. The board of directors of the foundation would then be  
20 appointed representing the same constituencies as provided for the  
21 advisory commission in current law.

SENATE COMMERCE COMMITTEE

STATEMENT TO

**SENATE, No. 2691**

with committee amendments

**STATE OF NEW JERSEY**

DATED: NOVEMBER 19, 2001

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2691.

This bill, as amended by the committee, clarifies the provisions concerning the establishment of a Health Service Corporation Conversion Temporary Advisory Commission and the board of directors of a foundation established because of the conversion of a health service corporation to a for-profit domestic health insurer and the establishment of a foundation for the value of that corporation. The bill provides that upon the creation of a foundation and the approval of that foundation by a court, any Health Service Corporation Conversion Temporary Advisory Commission that has been established pursuant to the conversion is dissolved. The initial board of directors of the foundation would consist of the members of the advisory commission for three years and then would be appointed for three years representing the same constituencies as provided for the advisory commission in current law.

[First Reprint]

**SENATE, No. 2691**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED NOVEMBER 8, 2001

**Sponsored by:**

**Senator GERALD CARDINALE**

**District 39 (Bergen)**

**Co-Sponsored by:**

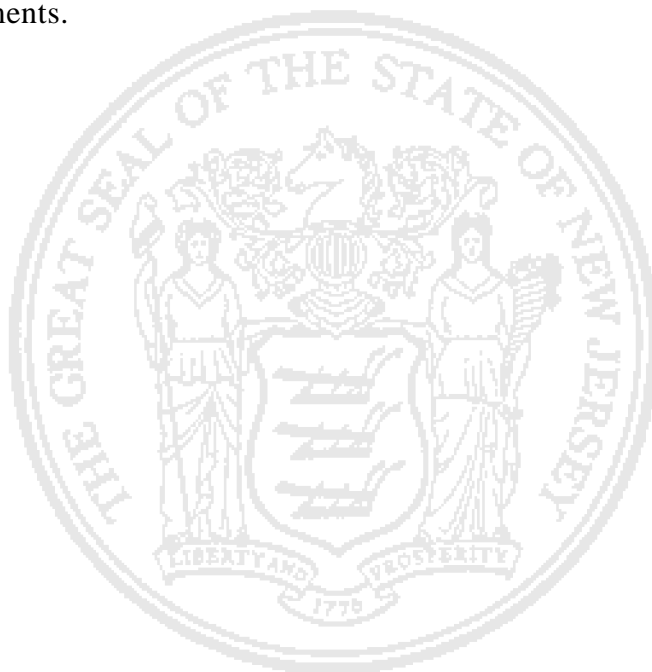
**Assemblyman Bateman**

**SYNOPSIS**

Clarifies membership of board of directors of foundation created pursuant to the conversion of a health service corporation.

**CURRENT VERSION OF TEXT**

As reported by the Senate Commerce Committee on November 19, 2001, with amendments.



**(Sponsorship Updated As Of: 1/8/2002)**

1 AN ACT concerning certain commissions and boards in regard to the  
2 conversion of a health service corporation to a domestic stock  
3 insurer and amending P.L.2001, c.131.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 20 of P.L.2001, c.131 (C.17:48E-68) is amended to  
9 read as follows:

10 20. a. There is established in, but not of, the Department of the  
11 Treasury a Health Service Corporation Conversion Temporary  
12 Advisory Commission. The advisory commission shall consist of 15  
13 members. Seven members shall be appointed by the Governor,  
14 including two public members, one physician licensed to practice  
15 medicine in New Jersey, one licensed health care provider other than  
16 a physician, one representative of the dental community, one  
17 representative of a community based organization that provides or  
18 assists in providing health care or health care services to New Jersey  
19 residents and one representative of the AFL-CIO. Three members  
20 shall be appointed by the President of the Senate, including one public  
21 member, one representative of the hospital community and one  
22 physician licensed to practice medicine in New Jersey. One public  
23 member shall be appointed by the Minority Leader of the Senate.  
24 Three members shall be appointed by the Speaker of the General  
25 Assembly, including one public member, one representative of the  
26 hospital community and one representative of a community based  
27 organization that provides or assists in providing health care or health  
28 care services to New Jersey residents. One public member shall be  
29 appointed by the Minority Leader of the General Assembly. <sup>1</sup>[The  
30 members shall be appointed for a term of three years. Each member  
31 shall hold office until reappointed or a successor is appointed and  
32 qualified.]<sup>1</sup> A vacancy in the membership of the advisory commission  
33 shall be filled <sup>1</sup>[for an unexpired term]<sup>1</sup> in the same manner provided  
34 for the original appointment. Members shall serve without fee or  
35 compensation. The **[foundation]** advisory commission shall  
36 commence its activities upon appointment of at least a majority of its  
37 initial **[board of directors]** members.

38 The advisory commission shall, in anticipation of a conversion of a  
39 health service corporation as authorized under this act, examine issues  
40 related to access to affordable, quality health care for underserved  
41 individuals and promoting fundamental improvements in the health

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate SCM committee amendments adopted November 19, 2001.



1 status of New Jerseyans, and may review experiences in other states  
2 related to the establishment of foundations in [other states resulting  
3 from the conversion of] connection with the conversion of non-profit  
4 health insurers similar to health care service corporations licensed to  
5 do business in New Jersey. The advisory commission shall advise the  
6 Attorney General and Commissioner of Banking and Insurance as to  
7 its findings on these issues. The Department of the Treasury shall  
8 provide the advisory commission with such assistance as the advisory  
9 commission may require in order to perform its duties under this act.  
10 The advisory commission may engage the services of advisors and  
11 consultants in order to assist in the performance of its duties under this  
12 act.

13 b. [Members of the advisory commission appointed pursuant to  
14 subsection a. of this section shall serve as the initial board of directors  
15 of a foundation established pursuant to this act until such time as the  
16 terms of their appointments expire. The advisory commission  
17 established pursuant to subsection a. of this section shall expire upon  
18 establishment of a foundation in accordance with this act.] Upon the  
19 creation of a foundation pursuant to section 19 of P.L.2001, c.131  
20 (C.17:48E-67) and the approval of the foundation by a court of  
21 competent jurisdiction, the advisory commission created pursuant to  
22 subsection a. of this section shall be dissolved. The foundation shall  
23 have a board of directors consisting of 15 members. Seven members  
24 shall be appointed by the Governor, including two public members,  
25 one physician licensed to practice medicine in New Jersey, one  
26 licensed health care provider other than a physician, one representative  
27 of the dental community, one representative of a community based  
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32 hospital community and one physician licensed to practice medicine in  
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34 Leader of the Senate. Three members shall be appointed by the  
35 Speaker of the General Assembly, including one public member, one  
36 representative of the hospital community and one representative of a  
37 community based organization that provides or assists in providing  
38 health care or health care services to New Jersey residents. One public  
39 member shall be appointed by the Minority Leader of the General  
40 Assembly. <sup>1</sup>[The] Initially, the members of the advisory commission  
41 shall constitute the board of the foundation, and shall serve for a term  
42 of three years. Thereafter, the<sup>1</sup> members of the board of the  
43 foundation shall be appointed for a term of three years. Each member  
44 shall hold office until reappointed or a successor is appointed and  
45 qualified. A vacancy in the membership of the board shall be filled for  
46 an unexpired term in the same manner provided for the original

1 appointment. Members shall serve without fee or compensation. The  
2 foundation shall commence its activities upon the appointment of at  
3 least a majority of its initial board of directors. In the event more than  
4 one foundation is established pursuant to this act, the board of  
5 directors of any such additional foundations shall be appointed in  
6 compliance with the requirements of this subsection [a. of this  
7 section].  
8 (cf: P.L.2001, c.131, s.20)  
9  
10 2. This act shall take effect immediately.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

[First Reprint]

**SENATE, No. 2691**

**STATE OF NEW JERSEY**

DATED: DECEMBER 13, 2001

The Assembly Banking and Insurance Committee reports favorably Senate Bill No. 2691 (1R).

This bill clarifies the provisions concerning the establishment of a Health Service Corporation Conversion Temporary Advisory Commission and the board of directors of a charitable foundation established in the event of a conversion of a health service corporation to a for-profit domestic health insurer and the establishment of a charitable foundation for the value of that corporation. The bill provides that upon the creation of a charitable foundation and the approval of that foundation by a court, any Health Service Corporation Conversion Temporary Advisory Commission that has been established pursuant to the conversion is dissolved. The initial board of directors of the charitable foundation would consist of the members of the advisory commission for three years and thereafter the board would be appointed representing the same constituencies as provided for the advisory commission in current law.

**ASSEMBLY, No. 3962**

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**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

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INTRODUCED NOVEMBER 29, 2001

**Sponsored by:**

**Assemblyman CHRISTOPHER "KIP" BATEMAN**

**District 16 (Morris and Somerset)**

**SYNOPSIS**

Clarifies membership of board of directors of foundation created pursuant to the conversion of a health service corporation.

**CURRENT VERSION OF TEXT**

As introduced.



A3962 BATEMAN

2

1 AN ACT concerning certain commissions and boards in regard to the  
2 conversion of a health service corporation to a domestic stock  
3 insurer and amending P.L.2001, c.131.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

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8 1. Section 20 of P.L.2001, c.131 (C.17:48E-68) is amended to  
9 read as follows:

10 20. a. There is established in, but not of, the Department of the  
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12 Advisory Commission. The advisory commission shall consist of 15  
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15 medicine in New Jersey, one licensed health care provider other than  
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20 shall be appointed by the President of the Senate, including one public  
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23 member shall be appointed by the Minority Leader of the Senate.  
24 Three members shall be appointed by the Speaker of the General  
25 Assembly, including one public member, one representative of the  
26 hospital community and one representative of a community based  
27 organization that provides or assists in providing health care or health  
28 care services to New Jersey residents. One public member shall be  
29 appointed by the Minority Leader of the General Assembly. **[The**  
30 **members shall be appointed for a term of three years.]** A vacancy in  
31 the membership of the advisory commission shall be filled **[for an**  
32 **unexpired term]** in the same manner provided for the original  
33 appointment. Members shall serve without fee or compensation. The  
34 **[foundation]** advisory commission shall commence its activities upon  
35 appointment of at least a majority of its initial **[board of directors]**  
36 members.

37 The advisory commission shall, in anticipation of a conversion of a  
38 health service corporation as authorized under this act, examine issues  
39 related to access to affordable, quality health care for underserved  
40 individuals and promoting fundamental improvements in the health  
41 status of New Jerseyans, and may review experiences in other states  
42 related to the establishment of foundations in **[other states resulting**

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 from the conversion of] connection with the conversion of non-profit  
2 health insurers similar to health care service corporations licensed to  
3 do business in New Jersey. The advisory commission shall advise the  
4 Attorney General and Commissioner of Banking and Insurance as to  
5 its findings on these issues. The Department of the Treasury shall  
6 provide the advisory commission with such assistance as the advisory  
7 commission may require in order to perform its duties under this act.  
8 The advisory commission may engage the services of advisors and  
9 consultants in order to assist in the performance of its duties under this  
10 act.

11 b. [Members of the advisory commission appointed pursuant to  
12 subsection a. of this section shall serve as the initial board of directors  
13 of a foundation established pursuant to this act until such time as the  
14 terms of their appointments expire. The advisory commission  
15 established pursuant to subsection a. of this section shall expire upon  
16 establishment of a foundation in accordance with this act.] Upon the  
17 creation of a foundation pursuant to section 19 of P.L.2001, c.131  
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27 care services to New Jersey residents and one representative of the  
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30 hospital community and one physician licensed to practice medicine in  
31 New Jersey. One public member shall be appointed by the Minority  
32 Leader of the Senate. Three members shall be appointed by the  
33 Speaker of the General Assembly, including one public member, one  
34 representative of the hospital community and one representative of a  
35 community based organization that provides or assists in providing  
36 health care or health care services to New Jersey residents. One public  
37 member shall be appointed by the Minority Leader of the General  
38 Assembly. Initially, the members of the advisory commission shall  
39 constitute the board of the foundation, and shall serve for a term of  
40 three years. Thereafter, the members of the board of the foundation  
41 shall be appointed for a term of three years. Each member shall hold  
42 office until reappointed or a successor is appointed and qualified. A  
43 vacancy in the membership of the board shall be filled for an unexpired  
44 term in the same manner provided for the original appointment.  
45 Members shall serve without fee or compensation. The foundation  
46 shall commence its activities upon the appointment of at least a

1 majority of its initial board of directors. In the event more than one  
2 foundation is established pursuant to this act, the board of directors of  
3 any such additional foundations shall be appointed in compliance with  
4 the requirements of this subsection [a. of this section].  
5 (cf: P.L.2001, c.131, s.20)

6

7 2. This act shall take effect immediately.

8

9

10 STATEMENT

11

12 This bill clarifies the provisions concerning the establishment of a  
13 Health Service Corporation Conversion Temporary Advisory  
14 Commission and the board of directors of a foundation established  
15 because of the conversion of a health service corporation to a for-  
16 profit domestic health insurer and the establishment of a foundation for  
17 the value of that corporation. The bill provides that upon the creation  
18 of a foundation and the approval of that foundation by a court, any  
19 Health Service Corporation Conversion Temporary Advisory  
20 Commission that has been established pursuant to the conversion is  
21 dissolved. The initial board of directors of the foundation would  
22 consist of the members of the advisory commission for three years and  
23 thereafter the board would be appointed representing the same  
24 constituencies as provided for the advisory commission in current law.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3962**

**STATE OF NEW JERSEY**

DATED: DECEMBER 13, 2001

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 3962.

This bill clarifies the provisions concerning the establishment of a Health Service Corporation Conversion Temporary Advisory Commission and the board of directors of a charitable foundation established in the event of a conversion of a health service corporation to a for-profit domestic health insurer and the establishment of a charitable foundation for the value of that corporation. The bill provides that upon the creation of a charitable foundation and the approval of that foundation by a court, any Health Service Corporation Conversion Temporary Advisory Commission that has been established pursuant to the conversion is dissolved. The initial board of directors of the charitable foundation would consist of the members of the advisory commission for three years and thereafter the board would be appointed representing the same constituencies as provided for the advisory commission in current law.



P.L. 2001, CHAPTER 387, *approved January 8, 2002*

Senate, No. 2691 (*First Reprint*)

1 **AN ACT** concerning certain commissions and boards in regard to the  
2 conversion of a health service corporation to a domestic stock  
3 insurer and amending P.L.2001, c.131.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

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8 1. Section 20 of P.L.2001, c.131 (C.17:48E-68) is amended to  
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30 members shall be appointed for a term of three years. Each member  
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33 shall be filled <sup>1</sup>[for an unexpired term]<sup>1</sup> in the same manner provided  
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36 commence its activities upon appointment of at least a majority of its  
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39 health service corporation as authorized under this act, examine issues  
40 related to access to affordable, quality health care for underserved

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**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate SCM committee amendments adopted November 19, 2001.

1 individuals and promoting fundamental improvements in the health  
2 status of New Jerseyans, and may review experiences in other states  
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5 health insurers similar to health care service corporations licensed to  
6 do business in New Jersey. The advisory commission shall advise the  
7 Attorney General and Commissioner of Banking and Insurance as to  
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20 creation of a foundation pursuant to section 19 of P.L.2001, c.131  
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23 subsection a. of this section shall be dissolved. The foundation shall  
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39 health care or health care services to New Jersey residents. One public  
40 member shall be appointed by the Minority Leader of the General  
41 Assembly. <sup>1</sup>[The] Initially, the members of the advisory commission  
42 shall constitute the board of the foundation, and shall serve for a term  
43 of three years. Thereafter, the<sup>1</sup> members of the board of the  
44 foundation shall be appointed for a term of three years. Each member  
45 shall hold office until reappointed or a successor is appointed and  
46 qualified. A vacancy in the membership of the board shall be filled for

1 an unexpired term in the same manner provided for the original  
2 appointment. Members shall serve without fee or compensation. The  
3 foundation shall commence its activities upon the appointment of at  
4 least a majority of its initial board of directors. In the event more than  
5 one foundation is established pursuant to this act, the board of  
6 directors of any such additional foundations shall be appointed in  
7 compliance with the requirements of this subsection [a. of this  
8 section].

9 (cf: P.L.2001, c.131, s.20)

10

11 2. This act shall take effect immediately.

12

13

14

15

16 Clarifies membership of board of directors of foundation created  
17 pursuant to the conversion of a health service corporation.

## CHAPTER 387

**AN ACT** concerning certain commissions and boards in regard to the conversion of a health service corporation to a domestic stock insurer and amending P.L.2001, c.131.

**BE IT ENACTED** *by the Senate and General Assembly of the State of New Jersey:*

1. Section 20 of P.L.2001, c.131 (C.17:48E-68) is amended to read as follows:

C.17:48E-68 Health Service Corporation Conversion Temporary Advisory Commission; board of directors of foundation.

20. a. There is established in, but not of, the Department of the Treasury a Health Service Corporation Conversion Temporary Advisory Commission. The advisory commission shall consist of 15 members. Seven members shall be appointed by the Governor, including two public members, one physician licensed to practice medicine in New Jersey, one licensed health care provider other than a physician, one representative of the dental community, one representative of a community based organization that provides or assists in providing health care or health care services to New Jersey residents and one representative of the AFL-CIO. Three members shall be appointed by the President of the Senate, including one public member, one representative of the hospital community and one physician licensed to practice medicine in New Jersey. One public member shall be appointed by the Minority Leader of the Senate. Three members shall be appointed by the Speaker of the General Assembly, including one public member, one representative of the hospital community and one representative of a community based organization that provides or assists in providing health care or health care services to New Jersey residents. One public member shall be appointed by the Minority Leader of the General Assembly. A vacancy in the membership of the advisory commission shall be filled in the same manner provided for the original appointment. Members shall serve without fee or compensation. The advisory commission shall commence its activities upon appointment of at least a majority of its initial members.

The advisory commission shall, in anticipation of a conversion of a health service corporation as authorized under this act, examine issues related to access to affordable, quality health care for underserved individuals and promoting fundamental improvements in the health status of New Jerseyans, and may review experiences in other states related to the establishment of foundations in connection with the conversion of non-profit health insurers similar to health care service corporations licensed to do business in New Jersey. The advisory commission shall advise the Attorney General and Commissioner of Banking and Insurance as to its findings on these issues. The Department of the Treasury shall provide the advisory commission with such assistance as the advisory commission may require in order to perform its duties under this act. The advisory commission may engage the services of advisors and consultants in order to assist in the performance of its duties under this act.

b. Upon the creation of a foundation pursuant to section 19 of P.L.2001, c.131 (C.17:48E-67) and the approval of the foundation by a court of competent jurisdiction, the advisory commission created pursuant to subsection a. of this section shall be dissolved. The foundation shall have a board of directors consisting of 15 members. Seven members shall be appointed by the Governor, including two public members, one physician licensed to practice medicine in New Jersey, one licensed health care provider other than a physician, one representative of the dental community, one representative of a community based organization that provides or assists in providing health care or health care services to New Jersey residents and one representative of the AFL-CIO. Three members shall be appointed by the President of the Senate, including one public member, one representative of the hospital community and one physician licensed to practice medicine in New Jersey. One public member shall be appointed by the Minority Leader of the Senate. Three members shall be appointed by the Speaker of the General Assembly, including one public member, one representative of the hospital community and one representative of a community based organization that provides or assists in providing health care or health care services to New Jersey residents. One public member shall be appointed by the Minority Leader of the General Assembly. Initially, the members of the advisory commission shall constitute the board of the foundation, and shall serve for a term of three years. Thereafter, the members of the board of the foundation shall be appointed for a term of three years. Each member shall hold office until reappointed or a successor is appointed and qualified. A vacancy

in the membership of the board shall be filled for an unexpired term in the same manner provided for the original appointment. Members shall serve without fee or compensation. The foundation shall commence its activities upon the appointment of at least a majority of its initial board of directors. In the event more than one foundation is established pursuant to this act, the board of directors of any such additional foundations shall be appointed in compliance with the requirements of this subsection.

2. This act shall take effect immediately.

Approved January 8, 2002.