

R.S. 17:48-5

October 26, 1971

LEGISLATIVE HISTORY OF R.S.17:48-5
(Hospital Service Corporations: Filing copy of
certificate of incorporation; qualifications of
directors)

This section was first enacted in 1938.

COPY NO. 1
for notes, see copy 2

L.1938 - chap.366, §5 - S 375. Mr. Powell
Bill and statement enclosed.
June 6 - Committee Substitute (enclosed) passed Senate amended.
June 8 - Passed Assembly.
June 14 - Approved.

The amendment of the Committee Substitute did not affect §5.
No hearings or reports were found.

L.1967 - chap.19 - A 346. Tanzman
Approved Mar.31, 1967.
Statement of bill enclosed. It was not amended during
passage.
No hearings or reports were found.

L.1970 - chap.109 - S 293.
Pre-filed by Dumont.
Bill has statement.
Amended by Senate Committee. (copy enclosed)
This bill listed as "Approved" in:
974.905 The Journal of the Medical Society of
M49 New Jersey
Vol.67 no.4 April 1970 p. 189
vol.67 no.7 July, 1970 p.353

Newspaper clippings--V.F.--N.J.--Insurance, Health

Health care bills signed by Cahil	NEN	6/26/70
Blue Cross changes get Cahill's approval	NEN	6/27/70
New law allows N.J. Blue Cross benefit increase	Sun. Times Adv.	6/28/70

(copies of clippings enclosed).

HP/EH
Encl.

January 8, 1972

R.S. 17:48-5 Addendum

Complaints about the all medical Board of Trustees have been expressed repeatedly. The matter was discussed in previous hearings and reports see:

974.90 New Jersey Legislature. Joint Commission created
H828 under SCR2(1960) to investigate the administration
1960a of the Hospital Service Plan of New Jersey.

Public Hearing... September 26, 1960

974.90 New Jersey Legislature. Joint Commission to in-
H828 vestigate the administration and rate structure
1962 of the Hospital Service Plan of New Jersey.

Report... 1962.

974.90 New Jersey. Special Committee Appointed by the
H828 Governor to study Blue Cross in New Jersey.
1966

Public Hearing... July 14, 1966.

974.90 New Jersey. Special Committee appointed by the
H828 Governor to Study Blue Cross in New Jersey.
1967

Final Report... 1967

-P/EM

ASSEMBLY, No. 346

STATE OF NEW JERSEY

INTRODUCED JANUARY 23, 1967

By Assemblymen TANZMAN and YESKO

Referred to Committee on Business Affairs

AN ACT to amend "An act concerning hospital service corporations and regulating the establishment, maintenance and operation of hospital service plans, and supplementing Title 17 of the Revised Statutes by adding thereto a new chapter entitled 'Hospital Service Corporations,' " approved June 14, 1938 (P. L. 1938, c. 366).

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

1 1. Section 5 of the act of which this act is amendatory is amended to
2 read as follows:

3 5. A copy of a certificate of incorporation of a hospital service corpora-
4 tion may be filed in the Department of Banking and Insurance as aforesaid
5 only when there shall be indorsed on or appended to the original thereof the
6 approval of the Commissioner of **[Institutions and Agencies]** *Banking and*
7 *Insurance*, who is hereby authorized to grant such approval if, in his judg-
8 ment, the operation of a nonprofit hospital service plan by such corporation
9 is in the public interest. No certificate of authority shall be issued to any
10 such corporation unless the by-laws provide that at least a majority of the
11 directors of such corporation must be at all times directors or trustees of
12 hospitals designated in section 1 hereof. Any outstanding certificate of au-
13 thority shall immediately become void if such by-law provision be removed or
14 if there is any failure of compliance therewith.

1 2. Section 16 of the act of which this act is amendatory is amended to
2 read as follows:

3 16. Any dispute arising between a corporation subject to the provisions
4 of this act and any hospital with which such corporation has a contract for
5 hospital service may be submitted to the Commissioner of **[Institutions and**
6 **Agencies]** *Banking and Insurance* for his determination with respect thereto.
7 All determinations of the Commissioner of Banking and Insurance made un-

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

8 der the provisions of this act shall be subject to review by the Superior Court
9 in a proceeding in lieu of prerogative writ.

1 3. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to vest completely in the Commissioner of Banking and Insurance all matters relating to approval of the filing of a new certificate of incorporation of a hospital service corporation, the fiscal examination thereof, and the control and establishment of rates for subscribers and for hospitals doing business with hospital service corporations. The amendment would authorize the Commissioner of Banking and Insurance, rather than the Commissioner of Institutions and Agencies, to determine whether the establishment of an additional hospital service corporation is in the public interest, and to settle disputes arising between hospital service corporations and contracting hospitals. An examination of the law will disclose that all other matters of control of hospital service corporations have been vested in the Commissioner of Banking and Insurance and, since he has in his possession reports made of the fiscal examination of the hospital service corporations and has all other pertinent information necessary to the settlement of such a dispute, it is logical that the Commissioner of Banking and Insurance rather than the Commissioner of Institutions and Agencies should hear and determine these matters.