

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.