

House Bill 3100

Sponsored by COMMITTEE ON HEALTH CARE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Exempts certain health care practitioners from requirements of professional corporations organized to practice medicine or other aspects of health care.

A BILL FOR AN ACT

1
2 Relating to exemptions to requirements for corporations organized to provide health care services;
3 creating new provisions; and amending ORS 58.375.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 58.375 is amended to read:

6 58.375. (1) In a professional corporation organized for the purpose of practicing medicine:

7 (a) The holders of the majority of each class of shares entitled to vote shall be physicians who
8 are licensed in this state to practice medicine.

9 (b) A majority of the directors shall be physicians who are licensed in this state to practice
10 medicine.

11 (c) All officers except the secretary and treasurer, if any, must be physicians who are licensed
12 in this state to practice medicine. Any two or more offices may be held by the same person.

13 (d) Except as otherwise provided by law, the Board of Medical Examiners may expressly require
14 that more than a majority of each class of shares entitled to vote be held by physicians who are
15 licensed in this state to practice medicine.

16 (e) Except as otherwise provided by law, the Board of Medical Examiners may expressly require
17 that more than a majority of the directors be physicians who are licensed in this state to practice
18 medicine.

19 (2) A professional corporation may be a shareholder of a professional corporation organized for
20 the purpose of practicing medicine solely for the purpose of effecting a reorganization as defined in
21 the Internal Revenue Code.

22 **(3) The provisions of subsections (1) and (2) of this section do not apply to nonprofit**
23 **corporations organized under Oregon law to provide medical services to migrant, rural,**
24 **homeless or other medically underserved populations under 42 U.S.C. 254b or 254c or to**
25 **health centers qualified under 42 U.S.C. 1396d(1)(2)(B) that operate in compliance with other**
26 **applicable state and federal law.**

27 **SECTION 2. Nonprofit corporations may employ health professionals regulated by a**
28 **health professional regulatory board as defined in ORS 676.160 if the corporations are:**

29 **(1) Nonprofit corporations organized under Oregon law to provide primary care and re-**
30 **lated services to migrant, rural, homeless or other medically underserved populations under**
31 **42 U.S.C. 254b or 254c; or**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **(2) Health centers qualified under 42 U.S.C. 1396d(1)(2)(B) that operate in compliance with**
2 **other applicable state and federal law.**
3 _____