

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2406 Session of  
1996

INTRODUCED BY O'BRIEN, HENNESSEY, COY, J. TAYLOR, TRELLO AND  
MELIO, FEBRUARY 16, 1996

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 16, 1996

AN ACT

1 Amending the act of May 2, 1945 (P.L.382, No.164), entitled "An  
2 act providing for the incorporation as bodies corporate and  
3 politic of "Authorities" for municipalities, counties and  
4 townships; prescribing the rights, powers and duties of such  
5 Authorities heretofore or hereafter incorporated; authorizing  
6 such Authorities to acquire, construct, improve, maintain and  
7 operate projects, and to borrow money and issue bonds  
8 therefor; providing for the payment of such bonds, and  
9 prescribing the rights of the holders thereof; conferring the  
10 right of eminent domain on such Authorities; authorizing such  
11 Authorities to enter into contracts with and to accept grants  
12 from the Federal Government or any agency thereof; and  
13 conferring exclusive jurisdiction on certain courts over  
14 rates," further defining "health center"; and further  
15 providing for the purposes and powers of authorities in  
16 relation to same.

17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

19 Section 1. Section 2(o) of the act of May 2, 1945 (P.L.382,  
20 No.164), known as the Municipality Authorities Act of 1945,  
21 added October 21, 1988 (P.L.1041, No.117) is amended to read:

22 Section 2. Definitions.--The following terms whenever used  
23 or referred to in this act shall have the following meanings,  
24 except in those instances where the context clearly indicates  
25 otherwise:

1       \* \* \*

2       (o) The term "health center" shall mean a [facility]  
3 nonprofit organization, however organized, including, without  
4 limitation, any network of health care providers, any integrated  
5 health care delivery system, any partnership or joint venture  
6 between or among health care providers, any health care  
7 purchasing alliance, and any cooperative hospital service  
8 organization as described in section 501(e) of the Internal  
9 Revenue Code of 1986, (Pub. Law 99-514, 26 U.S.C. § 501(e))

10 which:

11       [(i) is operated by a nonprofit corporation;

12       (ii)] (i) (A) provides health care services or benefits to  
13 the public; or

14       (B) provides health care-related services or assistance to  
15 one or more organizations in aid of the provision of health care  
16 services to the public, including, without limitation, such  
17 facilities as blood banks, laboratories, research and testing  
18 facilities, medical and administrative office buildings and  
19 ancillary facilities; or

20       (C) constitutes an integrated facility which provides  
21 substantial health care services on a nonsectarian basis and  
22 other reasonably related services, including, without  
23 limitation, life care or continuing care communities and  
24 nursing, personal care or assisted living facilities for the  
25 elderly, handicapped or disabled; or

26       (D) provides educational and counseling services regarding  
27 the prevention, diagnosis and treatment of health care problems;

28 and

29       [(iii)] (ii) if required by law to be licensed to provide  
30 such services by the Department of Health, the Department of

1 Public Welfare or the Insurance Department, is so licensed or,  
2 in the case of a facility to be constructed, renovated or  
3 expanded, is designed to comply with applicable standards for  
4 such licensure.

5 \* \* \*

6 Section 2. Subclause (14) of clause (a) of subsection A of  
7 section 4 of the act, amended December 21, 1984 (P.L.1246,  
8 No.236), is amended to read:

9 Section 4. Purposes and Powers; General.--A. Every  
10 Authority incorporated under this act shall be a body corporate  
11 and politic, and shall be for the purpose of acquiring, holding,  
12 constructing, improving, maintaining and operating, owning,  
13 leasing, either in the capacity of lessor or lessee, projects of  
14 the following kind and character and providing financing for  
15 insurance reserves.

16 (a) The Authority shall be for the purpose of financing  
17 working capital and of acquiring, holding, constructing,  
18 financing, improving, maintaining and operating, owning,  
19 leasing, either in the capacity of lessor or lessee, projects of  
20 the kind and character described in the following subclauses and  
21 for the purpose of providing financing for insurance reserves:

22 \* \* \*

23 (14) hospitals[, health centers;] or health centers,  
24 including the cost of, or working capital for any of the  
25 following:

26 (i) any merger, consolidation, partnership, joint venture or  
27 other combination of or cooperative undertaking between or among  
28 one or more hospitals or health centers;

29 (ii) the formation, expansion or development of any network  
30 of hospitals, health centers or health care providers;

1     (iii) the acquisition by hospitals and health centers of  
2 health care providers, third party administrators or other  
3 entities or organizations necessary or useful for the formation,  
4 expansion or development of a hospital or health center,  
5 including, without limitation, any tangible or intangible assets  
6 related to the medical practice of a health care provider;  
7     (iv) funding health care benefits or insurance or other  
8 reserves for such benefits;

9       \* \* \*

10     Section 3. This act shall take effect in 60 days.