

provided for in this act shall be the same as prescribed by law for similar processes of a civil nature and shall, upon proper vouchers being filed, be paid by the Adjutant General in the usual manner.

Section 1110. Immunity for Action of Military Courts.—No accused may bring an action or proceeding against the convening authority or a member of a military court or officer or person acting under its authority or reviewing its proceedings because of the approval, imposition, or execution of any sentence or the imposition or collection of a fine or penalty, or the execution of any process or mandate of a military court.

Section 1111. Delegation of Authority by the Governor.—The Governor may delegate any authority vested in him under this act, and may provide for the subdelegation of any such authority, except the power given him by sections 406 and 501 of this act.

Section 1112. Uniformity of Interpretation.—This act shall be so construed as to effectuate its general purpose to make uniform the law of those states which enact it and, so far as practical, to make that law uniform with the law of the United States, especially as embodied in the Uniform Code of Military Justice, act of May 5, 1950.

Section 1113. Short Title.—This act may be cited as the "Pennsylvania Code of Military Justice."

Section 1114. Repeal.—(a) Sections 847 to 861, inclusive, act of May 27, 1949 (P. L. 1903), known as "The Military Code of 1949," are repealed as to events and offenses taking place after the effective date hereof.

(b) All other acts and parts of acts are repealed in so far as they are inconsistent herewith.

Section 1115. Time of Taking Effect.—This act shall take effect September 1, 1967.

APPROVED—The 24th day of November, A. D. 1967.

RAYMOND P. SHAFER

No. 273

AN ACT

SB 886

Reenacting and amending the title and act of June 27, 1939 (P. L. 1125), entitled, as amended, "An act providing for the regulation and supervision of nonprofit medical, osteopathic and dental service corporations organized to provide medical, osteopathic or dental services to subscribers of low income by the Department of Health and the Insurance Department, and defining the functions of such departments with respect thereto; authorizing certain departments, commissions, officers, and other agencies of the State and its political subdivisions to subscribe, under certain circumstances, to the medical, osteopathic and dental service plan of such corporations on behalf of persons of low income; prescribing legal investments for the funds of such corporations, and the rights of doctors of medicine, doctors of osteopathy and

doctors of dental surgery to register with such corporations; conferring authority on the Department of Health and on the Insurance Commissioner, each within its own sphere of lawful activity, to regulate and supervise such corporations; conferring certain rights, powers, duties, and immunities upon such corporations and their officers and members; prescribing the conditions on which such corporations may exercise their powers; exempting such corporations from taxation; prohibiting any person, copartnership, association, common law trust or corporation, except a nonprofit medical, osteopathic and dental service corporation, from providing medical, osteopathic or dental services on a nonprofit plan in return for prepayment, periodical, or lump sum payments; providing penalties for the violation of, and mandatory and injunctive relief for the enforcement of, the provisions of this act," extending this act so as to include podiatry services; defining podiatry service for the purpose of this act only; conferring certain additional authority upon nonprofit medical, osteopathic, dental and podiatry service corporations, including the authority to act as contracting agency or organization in connection with certain governmental and non-governmental health care programs; clarifying certain provisions relating to payments to and by subscribers; clarifying certain provisions affecting over-income subscribers; and clarifying certain provisions prohibiting restrictions upon subscribers' choice of doctor and doctors' methods of diagnosis or treatment.

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

Section 1. The title and the act of June 27, 1939 (P. L. 1125), known as the "Nonprofit Medical, Osteopathic and Dental Service Corporation Act," reenacted and amended April 18, 1949 (P. L. 587), and May 12, 1949 (P. L. 1261), and subsection (a) of section 9, amended May 11, 1949 (P. L. 1124), are reenacted and amended to read:

AN ACT

Providing for the regulation and supervision of nonprofit medical, osteopathic, [and] dental and podiatry service corporations organized to provide medical, osteopathic, [or] dental or podiatry services to subscribers of low income and subscribers of over-income by the Department of Health and the Insurance Department, and defining the functions of such departments with respect thereto; authorizing certain departments, commissions, officers, and other agencies of the State and its political subdivisions to subscribe, under certain circumstances, to the medical, osteopathic, [and] dental and podiatry service plan of such corporations on behalf of persons of low income; prescribing legal investments for the funds of such corporations, and the rights of doctors of medicine, doctors of osteopathy, [and] doctors of dental surgery and doctors of podiatry to register with such corporations; conferring authority on the Department of Health and on the Insurance Commissioner, each within its own sphere of lawful activity, to regulate and supervise such corporations; conferring certain rights, powers, duties, and immunities upon such corporations and their officers and members; prescribing the conditions on which such corporations may exercise their powers; exempting such corporations from taxation; prohibit-

ing any person, copartnership, association, common law trust or corporation, except a nonprofit medical, osteopathic, [and] dental and podiatry service corporation, from providing medical, osteopathic, [or] dental or podiatry services on a nonprofit plan in return for prepayment, periodical, or lump sum payments; providing penalties for the violation of, ¹ and mandatory and injunctive relief for the enforcement of, the provisions of this act.

Section 1. Short Title.—This act shall be known and may be cited as the “Nonprofit Medical, Osteopathic, [and] Dental and Podiatry Service Corporation Act.”

Section 2. Declaration of Necessity.—It is hereby declared that adequate medical, osteopathic, [and] dental and podiatry services are essential for the maintenance of the physical and mental health of the residents of the Commonwealth, and that it is necessary that provision be made for adequate medical, osteopathic, [and] dental and podiatry services to persons of low income who are unable to provide such services for themselves or their dependents without depriving themselves or their dependents of such necessities of life as food, clothing and shelter.

Section 3. Definitions.—For the purposes of this act only, and not for the purposes of defining medical practice, osteopathic practice, [or] dental practice or podiatry practice as such, the terms stated below have the meanings assigned to them, respectively.

“Medical services” means the general and usual services rendered and [the] care administered by doctors of medicine, as defined in the Medical Practice Act, and its amendments.

“Osteopathic services” means the general and usual services rendered and care administered by doctors of osteopathy, as defined in the Osteopathic Practice Act of March 19, 1909 (P. L. 46), and its amendments.

“Dental services” means the general and usual services rendered and care administered by doctors of dental surgery, [serving in the capacity of a staff member of an accredited hospital, provided such services are rendered in an accredited hospital.] as defined in The Dental Law of May 1, 1933 (P. L. 216), and its amendments.

“Podiatry services” means the general and usual services rendered and care administered by doctors of podiatry as defined in the

¹ “and mandatory” not in original.

Podiatry Act of 1956, act of March 2, 1956 (P. L. 1206), reenacted and amended August 24, 1963 (P. L. 1199), and its amendments.

“Nonprofit medical, osteopathic, [and] dental and podiatry service corporation” means a corporation organized and operated under the provisions of the “Nonprofit Corporation Law,” approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws, two hundred eighty-nine), and its amendments.

“Income” means net income from gains, profits and net income derived from professions, vocations, trades, businesses, commerce or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property, also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever and income derived from salaries, wages or compensation for personal service of whatever kind and in whatever form paid.

“Low income” means income as set forth in section nine hereof.

“Over-income” means income as set forth in section nine hereof.

“Subscribers of low income” means persons of low income who subscribe to a nonprofit medical, osteopathic, [and] dental and podiatry service corporation plan.

“Subscribers of over-income” means persons of over-income who subscribe to a nonprofit medical, osteopathic, [and] dental and podiatry service corporation plan.

“Department of Health” means Department of Health of the Commonwealth.

“Court” means the court of common pleas of the county where the principal office of the nonprofit medical, osteopathic, [and] dental and podiatry corporation is or is to be located.

“Person with dependents” means any person who furnishes other persons with their chief support, whether or not such dependent person is related to or living with him.

Section 4. Unauthorized Nonprofit Medical, Osteopathic, [or] Dental or Podiatry Service for Prepayment, Periodical, or Lump

Sum Payments, Forbidden.—It shall be unlawful for any person, co-partnership, association, common law trust, or corporation, except when especially organized and authorized under the provisions of the Nonprofit Corporation Law, and its amendments, for the purpose, to establish, maintain, or operate a nonprofit medical, osteopathic, [or] dental and podiatry service plan whereby medical, osteopathic, [or] dental or podiatry services may be provided to persons of low income and over-income, as herein defined, for prepayment, periodical,

or lump sum payments; but this shall not be construed as preventing a person, copartnership, association, common law trust, or corporation, from furnishing medical, osteopathic, [or] dental or podiatry services for the prevention of disease among its or his employes or from furnishing such medical, osteopathic, [or] dental or podiatry services as is required under the Workmen's Compensation Act, and related legislation, when the employe is not charged for such service; nor shall any provision in this act be construed to apply to beneficial, benevolent, fraternal, and fraternal benefit societies, having a lodge system and a representative form of government. Nor shall this act limit or repeal any provision of the Nonprofit Hospital Acts of one thousand nine hundred thirty-seven, Pamphlet Laws one thousand nine hundred forty-eight, and one thousand nine hundred thirty-seven, Pamphlet Laws one thousand nine hundred eighty.

Section 5. Regulation and Supervision.—A nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall be subject to regulation and supervision by the Department of Health and the Insurance Department, as provided for by this act. It shall not be subject to the laws of this State now in force relating to insurance and corporations engaged in the business of insurance, nor to any law hereafter enacted relating to insurance and corporations engaged in the business of insurance, unless such law specifically and in exact terms applies to such nonprofit medical, osteopathic, [and] dental and podiatry service corporations.

Section 6. Reserves To Be Maintained.—A nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall, at all times while engaged in business, maintain reserves, in such form and amount as the Insurance Commissioner may determine, to insure its subscribers against loss through the failure of the corporation to [furnish] provide the services agreed to in its contracts.

Section 7. Scope of Service; Authority to Act as Agent.—(a) A nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall, by its articles of incorporation and with the approval of the Department of Health, the Insurance Department, and the approval of the court, define the limits of the area in which it will operate, and the court shall be guided solely by public necessity and public interest and welfare in approving or disapproving the articles of incorporation.

(b) A nonprofit medical, osteopathic, [and] dental and podiatry service corporation may, by its articles of incorporation or by its by-laws or by action of its Board of Directors, limit the medical, osteopathic, [or] dental or podiatry services that will provide for its

subscribers, and may divide such medical, osteopathic, [or] dental or podiatry services as it elects to provide into classes or kinds, and it may enter into contracts with its subscribers or groups of subscribers to secure medical, osteopathic, [or] dental or podiatry services of any kind or class so named and delimited.

(c) A nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall not provide medical, osteopathic, [or] dental or podiatry services for its subscribers otherwise than through doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry, duly licensed to practice in their respective fields under the laws of the Commonwealth of Pennsylvania.

(d) A nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall provide medical, osteopathic, [or] dental or podiatry services only to persons domiciled within the State. But if a subscriber, regularly domiciled within the State and entitled to medical, osteopathic, [or] dental or podiatry services, or any of his dependents so entitled, necessarily employs medical, osteopathic, [or] dental or podiatry services, within the meaning of this act, while absent from the State, a medical, osteopathic, [and] dental and podiatry service corporation to which he is a subscriber may, in its discretion, and if satisfied as to the necessity for such services and satisfied that it was such as the subscriber would have been entitled to under similar circumstances in this State, pay to the [physicians] doctors who rendered the services such fees and charges as would have been payable if the services had been rendered in this State: Provided, however, That a nonprofit medical, osteopathic, [and] dental and podiatry service corporation organized under the laws of this State and operating near its boundaries may, with the consent of the proper officers of and as authorized by the law of the adjacent State, provide medical, osteopathic, [or] dental or podiatry services therein; but all operations of any such corporation, whether within or without this State, shall remain at all times subject to the provisions of this act.

(e) All medical, osteopathic, [or] dental or podiatry services provided by or on behalf of a nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall be in accordance with the best medical, osteopathic, [or] dental or podiatry practice in the community at the time, but the corporation providing such services shall

not be liable for injuries resulting from negligence, misfeasance, malfeasance, nonfeasance, or malpractice, on the part of any officer or employe or on the part of any doctor of medicine, doctor of osteopathy, [or] doctor of dental surgery or doctor of podiatry in the course of rendering medical, osteopathic, [or] dental or podiatry services to subscribers, and the corporation may so provide in its contracts with subscribers.

(f) Any nonprofit medical, osteopathic, dental and podiatry service corporation may, with the approval of the Insurance Department, act as a contracting agency or organization for the performance of functions under section 1842 of Title XVIII of the Federal Social Security Act, 42 U.S.C., section 301 et seq. and its amendments, with power to perform all the services which may be required of a contracting agency or organization thereunder and may perform administrative services similar or related to those which may be required of an agency or organization as aforesaid in connection with a Federal, State or local governmental health care program and may perform administrative services similar or related to those which may be required of an agency or organization as aforesaid in connection with or associated with non-governmental organizations, individuals, groups and agencies in the health care field.

Section 8. Rights of Doctors of Medicine, Doctors of Osteopathy, Doctors of Dental Surgery, Doctors of Podiatry. [etc.]—(a) Every doctor of medicine, doctor of osteopathy, [or] doctor of dental surgery or doctor of podiatry practicing within the area covered by any nonprofit medical, osteopathic, [and] dental and podiatry service corporation, shall have the right, on complying with such regulations as the corporation may make with the approval of the Department of Health, to register with such corporation for general or special medical, osteopathic, [or] dental or podiatry services, as the case may be, within that area, but the corporation may, with the approval of the Department of Health, refuse to place the name of any doctor of medicine, doctor of osteopathy, [or] doctor of dental surgery or doctor of podiatry on its register. Any nonprofit medical, osteopathic [and] dental and podiatry service corporation may, with the approval of the Department of Health, remove from its register the name of

any doctor of medicine, doctor of osteopathy, [or] doctor of dental surgery or doctor of podiatry after due notice and hearing for cause satisfactory to the corporation.

(b) Subject to the provisions of section 7 (e) of this act, [A] a nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall impose no restrictions on the doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry who administer to its subscribers, as to methods of diagnosis or treatment. The relation between a subscriber, or any of his dependents, and the doctor of medicine, doctor of osteopathy, [or] doctor of dental surgery or doctor of podiatry shall be identical with the relation that ordinarily exists in the community between a physician or doctor and his patient. Subject to the provisions of section 8 (a) of this act, [No] no person shall be permitted to interfere with a patient's choice or selection of his physician or doctor after that choice or selection has been made by an adult of sound mind.

(c) All matters, disputes, or controversies relating to the medical, osteopathic, [or] dental or podiatry services rendered by the doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry, or any questions involving professional ethics, shall be considered acted upon, disposed of, and determined, only by doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry as selected in a manner prescribed in the by-laws of the nonprofit medical, osteopathic, [and] dental and podiatry service corporations.

Section 9. Determination of Income Status; Rights of Persons of Low Income and Over-Income.—(a) (1) [The] Every nonprofit medical, osteopathic, dental and podiatry service corporation shall from time to time, by action of its members, fix the requisites for persons of low income eligible for the benefits of and under this act, such requisites to afford due consideration to the marital status and to the number of dependents of the persons involved and such requisites to be consistent with the declaration of necessity contained in section two of this act. Any requisites thus fixed shall be subject to the approval of the Insurance Commissioner of the Commonwealth of Pennsylvania.

(2) All persons not meeting the requisites for persons of low income as thus fixed shall be persons of over-income.

(b) The nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall determine whether an applicant for sub-

scription is in receipt of a low income or over-income within the meaning of this act, and after the application has been approved, the subscriber shall be deemed to be of low income or over-income until it has been redetermined by the corporation which redetermination may be made at any time.

(c) The nonprofit medical, osteopathic, [and] dental and podiatry service corporation, in determining the income status of any [person] applicant or subscriber, may, through its officers and agents, examine under oath any applicant or subscriber claiming a low income status and any other person consenting thereto who is believed to have material knowledge concerning the income status of the applicant or subscriber. Its determination shall be final.

(d) Every person of low income and every person of over-income, residing in the area served by a nonprofit medical, osteopathic, [and] dental and podiatry service corporation, shall be entitled, upon complying with regulations adopted by that corporation and the payment of such initiation and other fees as authorized by the Insurance Department to the services of any doctor of medicine, doctor of osteopathy, [or] doctor of dental surgery or doctor of podiatry registered with the corporation, under such terms and conditions as are customary in medical, osteopathic, [or] dental or podiatry services in the community, but only within the limits of services for which such doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry are registered: Provided, however, That a nonprofit medical, osteopathic, [and] dental and podiatry service corporation may for cause refuse to enter into contractual relations with an applicant and may, for cause, after due notice and hearing, rescind any contract that it has entered into with any subscriber and refund any unearned portion of any fees paid and may, on default in payment of the agreed dues, fees, payments or any charges by subscriber or someone on his behalf, discontinue [service] coverage without notice and hearing, after having notified a subscriber of his default, and having allowed him two days to procure such [services] coverages: Provided further, however, That [persons of over-income shall be liable to doctors of medicine, doctors of osteopathy or doctors of dental surgery registered with the corporation rendering services to such persons of over-income, for the full amount of the usual fees and charges for such services made by such doctors of medicine, doctors of osteopathy or doctors of dental surgery, and] any payment made by the corporation to doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry for

services rendered to subscribers of over-income shall be a payment to the extent agreed upon between the corporation and the doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry on account of [the full] any greater sum which may be due the doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry for rendering such services.

(e) No contract by or on behalf of any nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall provide for [the] any periodic payment [of any cash or other material benefit by that corporation] or any other payment by that corporation to a subscriber which is not related to the value of the service provided to such subscriber on account of illness or injury, nor be in any way related to the payment of any such benefit by any other agency.

Section 10. Limitation of Subscriber's Contract.—A nonprofit medical, osteopathic, [and] dental and podiatry service corporation may, as a condition precedent to entering into a contract with an applicant or group of applicants for medical, osteopathic, [or] dental or podiatry service:

(a) require a physical examination of the applicant and of each of his dependents, if any, and proof of his or their substantial freedom from any disease or condition requiring immediate medical, osteopathic, [or] dental or podiatry service or likely to require it within the next twelve (12) months, before a contract becomes effective; or

(b) require a waiting period after a contract is entered into and before the subscriber is entitled to medical, osteopathic, [or] dental or podiatry service; or

(c) require the subscriber to agree that the subscriber or someone on his behalf shall pay the stated fee or fees for medical, osteopathic, [or] dental or podiatry services in the case of any given illness or injury or other condition requiring medical, osteopathic, [or] dental or podiatry service, before becoming entitled to treatment under the terms of the contract; or

(d) require the subscriber to agree that, as a condition precedent to payment by the corporation for medical, osteopathic, dental or podiatry services performed for the subscriber, the subscriber or someone on his behalf will submit to the corporation such information

as is reasonably necessary to enable it to determine the amount of such payment, which information shall be submitted in the ¹form and verified in the manner prescribed by the corporation; or

(e) require the subscriber to agree that any rights of the subscriber to receive services or payments under his contract with the corporation are personal to the subscriber and may not be assigned.

Section 11. Relief Officers May Subscribe for Service.—Every department, commission, officer and other agency of the State, or of any political subdivision thereof, who is charged by law with the duty of providing medical, osteopathic, [or] dental or podiatry services, within the meaning of this act, for persons unable to provide it at their own expense or to procure it through persons to whose support and assistance they are by law entitled, is hereby empowered, in the exercise of his authority, to provide such service if, in his judgment, it is in the public interest so to do, through a subscription or subscriptions, paid for from any lawfully available public funds, with any nonprofit medical, osteopathic, [and] dental and podiatry service corporation on behalf of any person or persons entitled to such relief.

Section 12. Contracts Subject to Supervision of Insurance Department.—All rates charged subscribers or groups of subscribers by any nonprofit medical, osteopathic, [and] dental and podiatry service corporation, and the form and content of all contracts between any such corporation and its subscribers or groups of subscribers, all methods and rates of payment by such corporation to doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry serving its subscribers, all acquisition costs in procuring subscribers, the reserves to be maintained by such corporation, and all contracts entered into by any such corporation and extending over a period of more than twelve (12) months or calling for the expenditure by the corporation of any amount in excess of twenty (20) percent of its reserves, shall be approved by the Insurance Department before they become effective.

Application for such approval shall be made to the Insurance Department, in such form and shall contain such information as the department requires. Within thirty (30) days after the filing of such application, the department shall notify the applicant, in writing, whether the application has been approved or rejected, by notice served on the president, secretary, or some other responsible officer of the corporation or addressed to the corporation at its principal

¹ "form" in original.

place of business, by registered mail with return receipt requested. Within thirty ¹(30) days after the receipt of a notice rejecting any such application, the corporation may petition the court for a rule to show cause why the action of the department should not be set aside and the application approved. The court is hereby given jurisdiction and authority to entertain and determine any such proceeding.

Section 13. Financial Report.—Every nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall, on or

before the first day of March, of every year, file with the Insurance Department a statement, verified by at least two of the principal officers of the corporation, summarizing its financial activities during the calendar year immediately preceding, and showing its financial condition at the close of business on the thirty-first day of December of that year. Such statement shall be in such form and shall contain such ²matter as the Insurance Department prescribes. The financial affairs and status of every such corporation shall be examined by the Insurance Commissioner and his agents not less frequently than once in every three years, and for that purpose the Insurance Commissioner and his agents shall be entitled to the aid and cooperation of the officers and employes of the corporation and shall have convenient access to all books, records, papers, and documents that relate to the business of the corporation. They shall have authority to examine the officers, agents, ³employes, and subscribers for the medical, osteopathic, [or] dental or podiatry services of the corpora-

tion, and all cooperating doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry registered with the corporation, and all other persons having or having had substantial part in the work of the corporation, in relation to its affairs, transactions, and financial condition. Such examination shall be made at such times and with such frequency as the Insurance Commissioner may determine. The Insurance Commissioner may, at any time, without making such examination, call on any such corporation for a written report, authenticated by at least two of its principal officers, concerning the financial affairs and status of the corporation.

Section 14. Investment.—Any law to the contrary notwithstanding, funds of any nonprofit medical, osteopathic, [or] dental or podiatry service corporation, equal to its reserves, shall be invested in compliance with the requirements of law for the investment of the capital reserves of life insurance companies. The funds of any such corporation, equal to its surplus, shall be invested in compliance with the requirements of law for the investment of the surplus of life insurance companies.

¹“(30)” not in original.

²“matters” in original.

³“employees” in original.

Section 15. Exemption from Taxation.—Every nonprofit medical, osteopathic, [and] dental and podiatry service corporation is hereby declared to be a charitable and benevolent institution, and all its income, funds, investments and property shall be exempt from all taxation of the State or its political subdivisions.

Section 16. Medical, Osteopathic, [and] Dental and Podiatry Service Report.—Every nonprofit medical, osteopathic, [and] dental and podiatry service corporation shall, on or before the first day of

March of every year, file with the Department of Health a report of its activities, other than its financial activities, during the calendar year immediately preceding. Every such report shall be authenticated by at least two of the principal officers of the corporation and shall be in such form and contain such matter as the Department of Health prescribes. The Department of Health is hereby authorized to inquire into the activities of the nonprofit medical, osteopathic, [and] dental and podiatry service corporations and to determine

whether the corporation is providing adequate medical, osteopathic, [or] dental or podiatry services to its subscribers in accordance with the best medical, osteopathic, [or] dental or podiatry practice in the community. The Secretary of Health and his agents shall be entitled to the aid and cooperation of the officers and employes of the corporation, and shall have convenient access to all books, records, papers, and documents that relate to the business of the corporation. They shall have authority to examine the officers, agents, employes, and subscribers for the service of the corporation, and all doctors of medicine, doctors of osteopathy, [or] doctors of dental surgery or doctors of podiatry registered with the corporation, and all other

persons having or having had substantial part in the work of the corporation, in relation to the affairs, transactions, and condition of the corporation, other than financial. Examinations may be made at such times and with such frequency as the Secretary of Health may determine. The Secretary of Health may, at any time, without making any such examination, call on any such corporation for a written report, authenticated by at least two of its principal officers, concerning the affairs of the corporation other than its financial affairs. In the event the Secretary of Health finds that the nonprofit medical, osteopathic, [and] dental and podiatry service corporation does not provide adequate medical, osteopathic, [or] dental or podiatry services

to its subscribers in accordance with the best medical, osteopathic, [or] dental or podiatry practice in the community, the Secretary of

Health may notify the corporation of his findings and order the corporation, in specific terms, to extend or improve the medical, osteopathic, [or] dental or podiatry services furnished by the cor-

poration. Within thirty (30) days after receipt of such notice from the Secretary of Health, the corporation may petition the court to show cause why the action of the Secretary of Health should not be set aside or modified. The court is given jurisdiction and authority to entertain and determine any such proceeding and controversy.

Section 17. Penalties.—Any person, partnership, association, common law trust, or corporation, that violates any provision of this act or of any order of the Department of Health or of the Insurance Department made pursuant thereto, any person who hinders or prevents the Department of Health or the Insurance Department in the discharge of any duty imposed on it by this act, any person who fraudulently procures or attempts to procure any benefit under this act, and any person who wilfully makes any false statement in any proceeding or report under the provisions of this act, shall be guilty of a misdemeanor, and, on conviction thereof, shall be sentenced to pay a fine or not more than one thousand dollars (\$1000) or to be imprisoned for not more than six (6) months, or both, in the discretion of the court. Any act or default by any corporation, association, or common law trust, in violation of any provisions of the act or of any order of the department made pursuant thereto, shall be deemed to be the act or default of its officers or directors who participated in authorizing or effecting such act or default or who knowingly permitted it.

Section 18. Enforcement.—When necessary to effect the purposes of this act, in addition to all other remedies in law or equity, the Insurance Commissioner and the Secretary of Health, either or both of them, may be and are hereby authorized to petition the court for a mandamus or injunction to prevent any violation of the provisions of this act, or the continuance of any such violation, or to enforce compliance herewith. The court is hereby vested with authority to entertain jurisdiction on any such petition, to determine the cause, and to issue such process as may be necessary to accomplish the purposes of this act.

Section 19. Constitutional Construction and Severability.—It is hereby declared to be the purpose and intent of this act and the policy of the Legislature to authorize qualified persons to provide adequate medical, osteopathic, [or] dental or podiatry services for residents of this State who are unable to provide such services for themselves or their dependents at their own cost without depriving themselves or their dependents of such necessities of life as food, clothing and shelter, and provide persons of over-income with the limited medical, osteopathic, [or] dental or podiatry service benefits hereinbefore set forth. The courts of this State are hereby directed to construe this act liberally, in order to accomplish those ends.

The provisions of this act shall be severable, and if any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality

of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included therein.

Section 2. This act shall take effect immediately.

APPROVED—The 24th day of November, A. D. 1967.

RAYMOND P. SHAFER

No. 274

AN ACT

SB 887

Amending the act of May 5, 1933 (P. L. 289), entitled, as amended, "An act relating to corporations; defining and providing for the organization, merger, consolidation, and dissolution of certain corporations not for profit; conferring certain rights, powers, duties, and immunities upon them and their officers and members; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations within the provisions of this act; prescribing the terms and conditions upon which certain foreign corporations may be admitted or may continue to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, prothonotaries of such courts, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State departments to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations and other entities," making further provisions relating to nonprofit medical, dental, osteopathic and optometric service corporations; extending the provisions of said act relating to the furnishing of medical, dental, osteopathic and optometric services by nonprofit medical, dental, osteopathic and optometric service corporations so as to include the furnishing of podiatry services to subscribers and their dependents, and providing that the articles of incorporation of existing nonprofit medical, dental, osteopathic and optometric service corporations are amended by the provisions of this act so as to authorize the furnishing of podiatry services by doctors of podiatry and so as to authorize such corporations to act as an agency or organization in connection with certain governmental and non-governmental health care programs.

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

Section 1. Section 219, act of May 5, 1933 (P. L. 289), known as the "Nonprofit Corporation Law," amended May 21, 1943 (P. L. 356) and December 27, 1965 (P. L. 1250), is amended to read:

Section 219. Special Procedure for Incorporation of Nonprofit Medical, Dental, Osteopathic, [and] Optometric and Podiatry Service Corporations.—

(a) Nine or more natural persons of full age and of either sex, married or single, all of whom are residents of the Commonwealth and citizens of the United States: Provided, however, That a majority of said persons are doctors of medicine, may form a nonprofit corpora-