
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 340 Session of
2017

INTRODUCED BY DeLUCA, CALTAGIRONE, D. COSTA, McNEILL AND THOMAS,
FEBRUARY 6, 2017

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 6, 2017

AN ACT

1 Amending Titles 10 (Charities), 15 (Corporations and
2 Unincorporated Associations) and 40 (Insurance) of the
3 Pennsylvania Consolidated Statutes, in boards of directors,
4 providing for prohibition; in officers, directors and
5 members, further providing for compensation of directors; in
6 hospital plan corporations, further providing for definitions
7 and providing for prohibition; and, in professional health
8 services plan corporations, further providing for definitions
9 and for board of directors.

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

12 Section 1. Title 10 of the Pennsylvania Consolidated
13 Statutes is amended by adding parts to read:

14 PART I

15 PRELIMINARY PROVISIONS

16 (RESERVED)

17 PART II

18 NONPROFIT ORGANIZATIONS

19 Chapter

20 21. Preliminary Provisions (Reserved)

21 23. Boards of Directors

1 § 5730. Compensation of directors.

2 [Except as otherwise restricted in the bylaws, the board of
3 directors of a nonprofit corporation shall have the authority to
4 fix the compensation of directors for their services as
5 directors, and a director may be a salaried officer of the
6 corporation.] A director may not receive compensation for
7 services as a director.

8 Section 3. Section 6101 of Title 40 is amended by adding
9 definitions to read:

10 § 6101. Definitions.

11 The following words and phrases when used in this chapter
12 shall have, unless the context clearly indicates otherwise, the
13 meanings given to them in this section:

14 "Compensation." Anything given or received as an equivalent
15 for services. The term does not include reimbursement for costs
16 and expenses reasonably incurred by the independent officer,
17 director or trustee in the course and support of services.

18 * * *

19 "Independent officer, director or trustee." An officer,
20 director or trustee of a hospital plan corporation who is not
21 serving as an employee, or the equivalent of an employee, of the
22 hospital plan corporation.

23 * * *

24 Section 4. Title 40 is amended by adding a section to read:
25 § 6128. Prohibition.

26 A hospital plan corporation may not provide compensation to
27 an independent officer, director or trustee for services as an
28 independent officer, director or trustee.

29 Section 5. Section 6302(a) of Title 40 is amended by adding
30 a definition to read:

1 § 6302. Definitions.

2 (a) General rule.--The following words and phrases when used
3 in this chapter shall have, unless the context clearly indicates
4 otherwise, the meanings given to them in this section:

5 * * *

6 "Compensation." Anything given or received as an equivalent
7 for services. The term does not include reimbursement for costs
8 and expenses reasonably incurred by the independent officer,
9 director or trustee in the course and support of services.

10 * * *

11 Section 6. Section 6328(b) of Title 40 is amended by adding
12 a paragraph to read:

13 § 6328. Board of directors.

14 * * *

15 (b) General medical service corporation.--

16 * * *

17 (7) A general medical service corporation may not
18 provide compensation to a director for services as a
19 director.

20 Section 7. This act shall take effect in 60 days.