

HSCC 330

Legal and Legislative aspects of Healthcare

Corporate Liability

Corporate Liability

- Define a corporation
- Discuss corporate structure and management
- Discuss Corporate Duties
- Discuss Corporate liability
- Discuss Respondeat Superior

Corporation Defined

- A corporation is a legal entity that permits a group of people to create an organization that focuses on pursuing set objectives and empowered with legal rights that are usually reserved only for individuals

The corporate Charter and rules of incorporation

- A charter is a legally binding document incorporating an organization or institution and specifying its purpose or bylaws.

Corporate Authority

- Express
- Implied

The Governing Bodies

- Board of Directors
- In relation to a company, a director is an officer of the company charged with the conduct and management of its affairs. The directors collectively are referred to as a board of directors. Sometimes the board will appoint one of its members to be the chairman of the board.

Corporate Officers and Trustees

- An officer or director of a corporation is not, merely as a result of his or her position, personally liable for the torts of employees.

Duties of the governing body

- Governing body members are considered by law to have highest measure of accountability.
- They must always act for the benefit of the corporation

Duties of Health Care organizations

- Duty to comply with regulations, statutes, and rules
- Detect and avoid conflict of interest situations
- Provide adequate staff

CEO/Administrator's role and responsibility

CEO is responsible for the supervision of the administrative staff and the department heads

Has no or very limited personal liability to the patients

Has Duty to patients and shareholders

Ultra Vires

- *Ultra vires* is a Latin phrase that literally means "beyond the power"
- Describes act attempted by a corporation that are beyond the corporation's scope of power

Corporate Negligence

- Corporate Duties
 - Reasonable care in maintenance of facilities
 - Selection and retention of competent physicians
 - Proper oversight
 - Formulate, adopt, and enforce rules

Corporate Liability

- **Respondeat Superior**
 - (*Vicarious Liability*)
 - Respondeat superior, Latin for "let the master answer", is a legal doctrine which states that an employer is responsible for employee actions performed within the course of the employment.

Independent Contractors

- Employer/employee relationship is critical

Corporate Negligence

- Charitable immunity (no longer a defense)

Vocabulary

- **Respondeat Superior** a legal doctrine which states that an employer is responsible for employee actions performed within the course of the employment.
- **Independent Contractor** independent contractor is a person, business or corporation which provides goods or services to another entity under terms specified in a contract. Unlike an employee, an independent contractor does not work regularly for an employer but works as and when required,

Vocabulary

- **Ultra Vires** When a governing body acts beyond its expressed or implied scope of authority