

SENATE BILL 173

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(PRE-FILED)

2lr1046
CF HB 106

By: **Senator Feldman**

Requested: October 29, 2021

Introduced and read first time: January 12, 2022

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 8, 2022

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Nonprofit Health Service Plan – Board of Directors**

3 FOR the purpose of altering the required composition of the board of directors of a nonprofit
4 health service plan; and generally relating to nonprofit health service plans.

5 BY repealing and reenacting, without amendments,
6 Article – Insurance
7 Section 14–115(d)(1), (14), and (15)
8 Annotated Code of Maryland
9 (2017 Replacement Volume and 2021 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article – Insurance
12 Section 14–115(d)(2), (3), (4), and (13)
13 Annotated Code of Maryland
14 (2017 Replacement Volume and 2021 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Insurance**

18 14–115.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (d) (1) This subsection applies to a corporation that is:

2 (i) issued a certificate of authority as a nonprofit health service
3 plan; and

4 (ii) the sole member of a corporation issued a certificate of authority
5 as a nonprofit health service plan.

6 (2) The board shall be composed of **AT LEAST 11 MEMBERS AND** no more
7 than 23 members, including:

8 (i) one nonvoting member, who is not a member of the Maryland
9 General Assembly, appointed by and serving at the pleasure of the President of the Senate
10 of Maryland;

11 (ii) one nonvoting member, who is not a member of the Maryland
12 General Assembly, appointed by and serving at the pleasure of the Speaker of the House of
13 Delegates; ~~and~~

14 (iii) **NO MORE THAN 21 VOTING** members selected by the board, in
15 accordance with the bylaws of the corporation, ~~including~~; ~~AND~~

16 ~~(iv) two~~, **INCLUDING THREE** consumer members, who **ARE**
17 **COVERED BY THE NONPROFIT HEALTH SERVICE PLAN OR ITS AFFILIATES AT THE**
18 **TIME OF THEIR INITIAL ELECTION TO THE BOARD AND WHO** satisfy the requirements
19 of paragraphs (13), (14), and (15) of this subsection.

20 (3) No more than [four] **FIVE** members of the board may be:

21 (i) licensed health care professionals;

22 (ii) hospital administrators; or

23 (iii) employees of health care professionals or hospitals.

24 (4) To the extent possible, the board shall **SEEK TO** include individuals
25 with **A DIVERSE RANGE OF EXPERIENCE RELEVANT TO THE MISSION OF THE**
26 **CORPORATION AS A NONPROFIT HEALTH SERVICE PLAN AS REQUIRED UNDER §**
27 **14-102 OF THIS SUBTITLE, INCLUDING** experience in **DATA, CONSUMER EXPERIENCE,**
28 **GOVERNMENT PROGRAMS, POPULATION HEALTH, GERIATRICS, DIVERSITY, EQUITY**
29 **AND INCLUSION, AUDIT, HUMAN RESOURCES, BENEFIT CONSULTING, EXECUTIVE**
30 **LEVEL, ACTUARIAL,** accounting, information technology, finance, law, large and small
31 businesses, nonprofit businesses, and organized labor.

32 (13) ~~Of the two consumer members, one shall be a subscriber and one shall~~
33 ~~be a certificate holder~~ **THE THREE CONSUMER MEMBERS SHALL BE EITHER**

1 **SUBSCRIBERS OR CERTIFICATE HOLDERS** of the nonprofit health service plan **OR ITS**
2 **AFFILIATES AT THE TIME OF THEIR INITIAL ELECTION TO THE BOARD.**

3 (14) Each consumer member of the board:

4 (i) shall be a member of the general public;

5 (ii) may not be considered an agent or employee of the State for any
6 purpose; and

7 (iii) is entitled to the same rights, powers, and privileges as the other
8 members of the board.

9 (15) A consumer member of the board may not:

10 (i) be a licensee of or otherwise be subject to regulation by the
11 Commissioner;

12 (ii) be employed by or have a financial interest in:

13 1. a nonprofit health service plan or its affiliates or
14 subsidiaries; or

15 2. a person regulated under this article or the Health –
16 General Article; or

17 (iii) within 3 years before appointment, have been employed by, had
18 a financial interest in, or have received compensation from:

19 1. a nonprofit health service plan or its affiliates or
20 subsidiaries; or

21 2. a person regulated under this article or the Health –
22 General Article.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2022.