

Chapter 305

(Senate Bill 173)

AN ACT concerning

Health Insurance – Nonprofit Health Service Plan – Board of Directors

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

BY repealing and reenacting, without amendments,

Article – Insurance

Section 14–115(d)(1), (14), and (15)

Annotated Code of Maryland

(2017 Replacement Volume and 2021 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 14–115(d)(2), (3), (4), and (13)

Annotated Code of Maryland

(2017 Replacement Volume and 2021 Supplement)

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

Article – Insurance

14–115.

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

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

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

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

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

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

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

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

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

- (i) licensed health care professionals;
- (ii) hospital administrators; or
- (iii) employees of health care professionals or hospitals.

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

(13) ~~Of the two consumer members, one shall be a subscriber and one shall be a certificate holder~~ **THE THREE CONSUMER MEMBERS SHALL BE EITHER SUBSCRIBERS OR CERTIFICATE HOLDERS** of the nonprofit health service plan **OR ITS AFFILIATES AT THE TIME OF THEIR INITIAL ELECTION TO THE BOARD.**

(14) Each consumer member of the board:

- (i) shall be a member of the general public;
- (ii) may not be considered an agent or employee of the State for any purpose; and
- (iii) is entitled to the same rights, powers, and privileges as the other members of the board.

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

- Commissioner;
- (i) be a licensee of or otherwise be subject to regulation by the
- subsidiaries; or
- (ii) be employed by or have a financial interest in:
 - 1. a nonprofit health service plan or its affiliates or
 - 2. a person regulated under this article or the Health –
- General Article; or
- (iii) within 3 years before appointment, have been employed by, had a financial interest in, or have received compensation from:
 - 1. a nonprofit health service plan or its affiliates or
 - 2. a person regulated under this article or the Health –
- subsidiaries; or
- General Article.

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

Approved by the Governor, May 12, 2022.