

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 141

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, at the top of the page, insert “EMERGENCY BILL”; in line 4, strike “and”; in the same line, after “trustees” insert “, and employees”; in line 5, strike the first “entity” and substitute “service plan”; in the same line, strike “benefiting” and substitute “profiting”; in the same line, after “acquisition” insert “or proposed acquisition”; in the same line, after the second “entity” insert “except in a certain manner; specifying that a certain acquisition is not in the public interest unless certain steps have been taken to ensure that certain officers, directors, trustees, and employees do not profit from the acquisition or proposed acquisition except in a certain manner; making this Act an emergency measure;”; and after line 6, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 14-139(a)

Annotated Code of Maryland

(1997 Volume and 2001 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 13, insert:

“Article - Insurance

14-139.

(a) An officer, director, or employee of a corporation operating under this subtitle may not:

(1) willfully violate a provision of this article or a regulation adopted under this

(Over)

article;

(2) willfully misrepresent or conceal a material fact in a statement, report, record, or communication submitted to the Commissioner;

(3) willfully misrepresent a material fact to the board of directors;

(4) misappropriate or fail to account properly for money that belongs to the corporation, an insurer, insurance producer, subscriber, or certificate holder;

(5) engage in fraudulent or dishonest practices in connection with the provision or administration of a health service plan;

(6) willfully fail to produce records or allow an examination under § 14-125 of this subtitle; [or]

(7) willfully fail to comply with a lawful order of the Commissioner; OR

(8) PROFIT FROM AN ACQUISITION OR PROPOSED ACQUISITION, AS DEFINED UNDER § 6.5-101 OF THE STATE GOVERNMENT ARTICLE, IN THE FORM OF ANY COMPENSATION ARRANGEMENT OTHER THAN A SALARY FROM THE TRANSFEREE IN EXCHANGE FOR FUTURE SERVICES TO THE COMPANY.”.

#### AMENDMENT NO. 3

On page 2, in line 10, strike “and”; strike beginning with the colon in line 11 down through “(I)” in line 12; and strike beginning with “(II)” in line 14 down through “ACQUISITION” in line 15 and substitute:

“(4) ENSURE THAT NO OFFICER, DIRECTOR, TRUSTEE, OR EMPLOYEE OF THE NONPROFIT HEALTH ENTITY PERSONALLY PROFITS FROM THE ACQUISITION OR PROPOSED ACQUISITION IN THE FORM OF ANY COMPENSATION ARRANGEMENT OTHER THAN A SALARY FROM THE TRANSFEREE IN EXCHANGE FOR FUTURE SERVICES TO THE COMPANY”.

#### AMENDMENT NO. 4

On page 2, strike beginning with “shall” in line 16 down through “2002” in line 17 and substitute “is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected

to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted”.