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§14–102.

(a) The purpose of this subtitle is:

(1) to regulate the formation and operation of nonprofit health service plans in the State; and

(2) to promote the formation and existence of nonprofit health service plans in the State that:

(i) are committed to a nonprofit corporate structure;

(ii) seek to provide individuals, businesses, and other groups with affordable and accessible health insurance; and

(iii) recognize a responsibility to contribute to the improvement of the overall health status of the residents of the jurisdictions in which the nonprofit health service plans operate.

(b) A nonprofit health service plan that complies with the provisions of this subtitle is declared to be a public benefit corporation that is exempt from taxation as provided by law.

(c) The mission of a nonprofit health service plan shall be, in accordance with the charter of the nonprofit health service plan, to:

(1) provide affordable and accessible health insurance to the plan's insureds and those persons insured or issued health benefit plans by affiliates or subsidiaries of the plan;

(2) assist and support public and private health care initiatives for individuals without health insurance; and

(3) promote the integration of a health care system that meets the health care needs of all the residents of the jurisdictions in which the nonprofit health service plan operates.

(d) A nonprofit health service plan shall develop goals, objectives, and strategies for carrying out, in accordance with the charter of the nonprofit health service plan, its statutory mission.

(e) On or before December 1, 2005, and annually thereafter, the Commissioner shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee, on the compliance of a nonprofit health service plan subject to

§ 14-115(d) of this subtitle with the provisions of this subtitle.

(f) (1) Subject to paragraph (2) of this subsection, this section applies to:

(i) a nonprofit health service plan that is issued a certificate of authority in the State, whether or not organized under the laws of the State; and

(ii) an insurer or a health maintenance organization, whether or not organized as a nonprofit corporation, that is wholly owned or controlled by a nonprofit health service plan that:

1. is issued a certificate of authority in the State; and

2. does business in the State.

(2) To the extent that the legislatively enacted charter of an entity subject to this section, or the laws or administrative rules or regulations of the jurisdiction of domicile of an entity subject to this section, prohibit the entity from complying with a requirement of subsection (c) of this section, the legislatively enacted charter, laws, and administrative rules and regulations of the jurisdiction of domicile shall supersede and take precedence over the requirement of subsection (c) of this section.

(g) A corporation without capital stock organized for the purpose of establishing, maintaining, and operating a nonprofit health service plan through which health care providers provide health care services to subscribers to the plan under contracts that entitle each subscriber to certain health care services shall be governed and regulated by:

(1) this subtitle;

(2) Title 2, Subtitle 2 of this article and §§ 1-206, 3-127, and 12-210 of this article;

(3) Title 2, Subtitle 5 of this article;

(4) §§ 4-113 and 4-114 of this article;

(5) Title 5, Subtitles 1, 2, 3, 4, and 5 of this article;

(6) Title 7 of this article, except for § 7-706 and Subtitle 2 of Title 7;

(7) Title 9, Subtitles 1, 2, and 4 of this article;

(8) Title 10, Subtitle 1 of this article;

(9) Title 27 of this article; and

(10) any other provision of this article that:

(i) is expressly referred to in this subtitle;

(ii) expressly refers to this subtitle; or

(iii) expressly refers to nonprofit health service plans or persons subject to this subtitle.

(h) The provisions of subsections (d) and (e) of this section and §§ 14–106, 14–106.1, 14–106.2, 14–115(d), (e), (f), and (g), and 14–139(d) and (e) of this subtitle do not apply to a nonprofit health service plan that insures between 1 and 10,000 covered lives in Maryland or issues contracts for only one of the following services:

(1) podiatric;

(2) chiropractic;

(3) pharmaceutical;

(4) dental;

(5) psychological; or

(6) optometric.

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