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§6–121.

(a) (1) In this section the following words have the meanings indicated.

(2) "Nonprofit health maintenance organization" means a health maintenance organization authorized by Title 19, Subtitle 7 of the Health – General Article that is exempt from taxation under § 501(c)(3) of the Internal Revenue Code.

(3) "Premium tax exemption value" means the amount of premium taxes that a nonprofit health maintenance organization would have been required to pay if the nonprofit health maintenance organization were not exempt from taxation under § 6–101(b)(7) of this subtitle.

(b) (1) A nonprofit health maintenance organization shall transfer funds in an amount equal to the premium tax exemption value of the nonprofit health maintenance organization to the Medical Assistance Program Account established under Title 19, Subtitle 8 of this article to be used to support the provision of health care to eligible individuals.

(2) Notwithstanding the allocation provided under § 19–803(b) of this article, the amount transferred to the Medical Assistance Program Account by a nonprofit health maintenance organization under paragraph (1) of this subsection:

(i) shall be allocated directly to the Medical Assistance Program Account; and

(ii) shall be counted towards the total allocation required to the Medical Assistance Program Account under § 19–803(b)(3)(ii)2, (iii)2, (iv)2, (v)2, (vi), and (vii) of this article.

(3) Beginning in fiscal year 2008 and annually thereafter, the amount under paragraph (2) of this subsection that is counted towards the total allocation under § 19–803(b)(3)(iv)2, (v)2, (vi), and (vii) of this article that exceeds the amount needed to increase both fee–for–service health care provider rates paid by the Medical Assistance Program and managed care organization health care provider rates to a level of rates paid to similar providers for the same services under the federal Medicare fee schedule shall be transferred, unless otherwise provided in the State budget, to the Community Health Resources Commission Fund under Title 19, Subtitle 22 of the Health – General Article for the purpose of supporting office–based specialty care, diagnostic testing, and laboratory tests for individuals with family income that does not exceed 200% of the federal poverty level.

(c) A nonprofit health maintenance organization shall transfer to the Medical Assistance Program Account:

(1) on or before August 1, 2005, an amount equal to the premium tax exemption value of the nonprofit health maintenance organization for the last 6 months of fiscal year 2005; and

(2) within 30 days following the end of each calendar quarter, an amount equal to the premium tax exemption value of the nonprofit health maintenance organization for the quarter.

(d) On or before March 1 of each year, a nonprofit health maintenance organization shall file a report with the Commissioner establishing that the nonprofit health maintenance organization transferred funds equal to its premium tax exemption value during the preceding calendar year as required by this section.

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