

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1207

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Busch” and substitute “, Busch, Barve, Donoghue, Eckardt, Goldwater, Gordon, Harrison, Hill, Kach, Kirk, Krysiak, La Vay, Love, McClenahan, McHale, Minnick, Mitchell, Moe, Pendergrass, and Walkup”; in line 2, after “Plans” insert “and Rate Making”; in line 5, strike the second “certain”; in line 6, strike “taxes” and substitute “taxation as provided by law; clarifying the authority of the Attorney General to enforce the nonprofit mission of a nonprofit health service plan and to preserve and protect the assets of a nonprofit health service plan from waste, mismanagement, or abuse;”; in line 25, after “board;” insert “exempting certain nonprofit health service plan boards from certain requirements; requiring the Governor with the advice and consent of the General Assembly to appoint certain members of a certain board;”; in line 31, after “requirement” insert “limiting the maximum compensation for the Chairman and members of a certain board”; and in line 34, after “definition;” insert “making a portion of this Act subject to certain contingencies;”.

AMENDMENT NO. 2

On page 5, strike beginning with “STATE” in line 7 down through “ARTICLE” in line 8 and substitute “TAXATION AS PROVIDED BY LAW”; and after line 28, insert:

“(D) THE ATTORNEY GENERAL MAY BRING AN ACTION IN A COURT OF COMPETENT JURISDICTION TO:

(1) ENFORCE THE NONPROFIT MISSION OF A NONPROFIT HEALTH SERVICE PLAN; AND

(2) PRESERVE AND PROTECT THE ASSETS OF A NONPROFIT HEALTH SERVICE PLAN FROM WASTE, MISMANAGEMENT, OR ABUSE.”.

(Over)

On page 7, in line 31, strike “(1)”.

On page 8, in line 8, strike “OF THE ORDER” and substitute “THE PLAN WAS DETERMINED TO BE OUT OF COMPLIANCE WITH § 14-106 OF THIS SUBTITLE”; and in line 17, after “BE” insert “PLACED IN A SEGREGATED ACCOUNT AND”.

On page 11, in line 11, strike “MEMBERS AND”; and in the same line, after “SUBSCRIBERS” insert “AND CERTIFICATE HOLDERS”.

AMENDMENT NO. 3

On page 11, in line 27, after “NOMINATING” insert “AND SELECTING”; and in the same line, strike “ELECTION TO”.

On page 12, after line 2, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Insurance

14-115.”;

in line 3, after “of” insert “:

(I) A NONPROFIT HEALTH SERVICE PLAN THAT INSURES FEWER THAN 10,000 COVERED LIVES IN MARYLAND; OR

(II)”;

and in lines 5, 6, 7, 8, 9, and 10, strike “(i)”, “(ii)”, “(iii)”, “(iv)”, “(v)”, and “(vi)”, respectively, and substitute “1.”, “2.”, “3.”, “4.”, “5.”, and “6.”, respectively.

AMENDMENT NO. 4

On page 12, in line 11, after “(2)” insert “(I)”; after line 11, insert:

“(II) THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE GENERAL ASSEMBLY, SHALL APPOINT EIGHT MEMBERS OF THE BOARD TO SERVE AS VOTING PUBLIC MEMBERS IN ACCORDANCE WITH THIS SUBSECTION.

(III) THE REMAINING MEMBERS OF THE BOARD SHALL BE SELECTED BY THE BOARD OF DIRECTORS OF THE NONPROFIT HEALTH SERVICE PLAN IN ACCORDANCE WITH PARAGRAPH (7) OF THIS SUBSECTION AND THE ARTICLES AND BYLAWS OF THE PLAN.”;

strike in their entirety lines 12 through 14, inclusive; in line 15, strike the first set of brackets; in the same line, strike “(4)”;

and strike beginning with “FOUR” in line 15 down through “plan.” in line 17 and substitute “EIGHT MEMBERS APPOINTED BY THE GOVERNOR:”

(I) ONE SHALL BE THE OWNER OF A BUSINESS WITH MORE THAN 50 EMPLOYEES;

(II) ONE SHALL BE THE OWNER OF A BUSINESS WITH 50 OR FEWER EMPLOYEES;

(III) ONE SHALL BE A REPRESENTATIVE OF ORGANIZED LABOR;

(IV) ONE SHALL BE A MEMBER OF THE STATE EMPLOYEE HEALTH BENEFIT PLAN; AND

(V) FOUR SHALL BE CONSUMERS WHO SATISFY THE REQUIREMENTS OF PARAGRAPHS (5) AND (6) OF THIS SUBSECTION.

(4) THE GOVERNOR SHALL SELECT THE CHAIRMAN OF THE BOARD FROM AMONG THE MEMBERS APPOINTED UNDER PARAGRAPH (3) OF THIS SUBSECTION.”.

On page 13, in line 7, after “MEMBERS” insert “SELECTED BY THE BOARD”; in line 15, after “SUBMITTED” insert “JOINTLY”; in the same line, strike “MENTAL HEALTH ASSOCIATION OF MARYLAND” and substitute “STATE’S ACADEMIC MEDICAL INSTITUTIONS”; in line 16, strike “ONE” and substitute “FIVE”; strike beginning with “SELECTED” in line 16 down through “LIFESPAN” in line 18 and substitute “CONSUMERS”

WHO SATISFY THE REQUIREMENTS OF PARAGRAPHS (5) AND (6) OF THIS SUBSECTION"; in line 21, strike the brackets; in the same line, strike "4"; in line 23, strike the brackets; in the same line, strike "4-YEAR"; strike beginning with "as" in line 23 down through "2002" in line 25 and substitute "AS REQUIRED UNDER REGULATIONS ADOPTED BY THE COMMISSIONER"; and in line 32, strike "8" and substitute "6".

AMENDMENT NO. 5

On page 14, strike beginning with "The" in line 10 down through "(11)" in line 11; in line 15, after "(G)" insert "(1)"; strike beginning with "DETERMINED" in line 16 down through "ELSEWHERE" in line 19 and substitute "PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION"; and after line 19, insert:

"(2) THE CHAIRMAN OF THE BOARD MAY RECEIVE COMPENSATION IN AN AMOUNT NOT TO EXCEED \$40,000 PER YEAR AND EACH OTHER MEMBER OF THE BOARD MAY RECEIVE COMPENSATION IN AN AMOUNT NOT TO EXCEED \$24,000 PER YEAR."

AMENDMENT NO. 6

On page 14, after line 30, insert:

"SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Insurance".

On page 17, after line 11, insert:

"SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) Section 2 of this Act shall take effect upon:

(1) a determination by the Insurance Commissioner or by an Act of the General Assembly that the application for acquisition filed on January 11, 2002 by CareFirst of Maryland, Inc. in accordance with Subtitle 6.5 of the State Government Article is denied; or

(2) termination by either party of the proposed acquisition agreement between CareFirst, Inc. and WellPoint Health Networks, Inc., application for which was filed with the Insurance Commissioner on January 11, 2002 in accordance with Subtitle 6.5 of the State Government Article.

(b) If the acquisition described under subsection (a) of this section is consummated, Section 2 of this Act shall be null and void without the necessity of further action by the General Assembly.

(c) The Insurance Commissioner shall promptly notify the Department of Legislative Services of the fiscal status of the acquisition described under subsection (a) of this section.”;

in line 12, strike “2.” and substitute “5.”; and in the same line, after “That” insert “, except as provided in Section 4 of this Act.”.