
By: **Delegate Morhaim**

Introduced and read first time: January 16, 2002

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Acquisition of Nonprofit Health Entities - Limitations on Officers, Directors,**
3 **and Trustees**

4 FOR the purpose of prohibiting officers, directors, and trustees of a nonprofit health
5 entity from benefiting from an acquisition of that entity; and generally relating
6 to the acquisition of nonprofit health entities.

7 BY repealing and reenacting, with amendments,
8 Article - State Government
9 Section 6.5-301(b)
10 Annotated Code of Maryland
11 (1999 Replacement Volume and 2001 Supplement)

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

14 **Article - State Government**

15 6.5-301.

16 (b) An acquisition is not in the public interest unless appropriate steps have
17 been taken to:

18 (1) ensure that the value of public or charitable assets is safeguarded;

19 (2) ensure that:

20 (i) the fair value of the public or charitable assets of a nonprofit
21 health service plan or a health maintenance organization will be distributed to the
22 Maryland Health Care Foundation that was established in § 20-502 of the Health -
23 General Article; or

24 (ii) 1. 40% of the fair value of the public or charitable assets of a
25 nonprofit hospital will be distributed to the Maryland Health Care Foundation that
26 was established in § 20-502 of the Health - General Article; and

