SENATE BILL 29 EMERGENCY BILL

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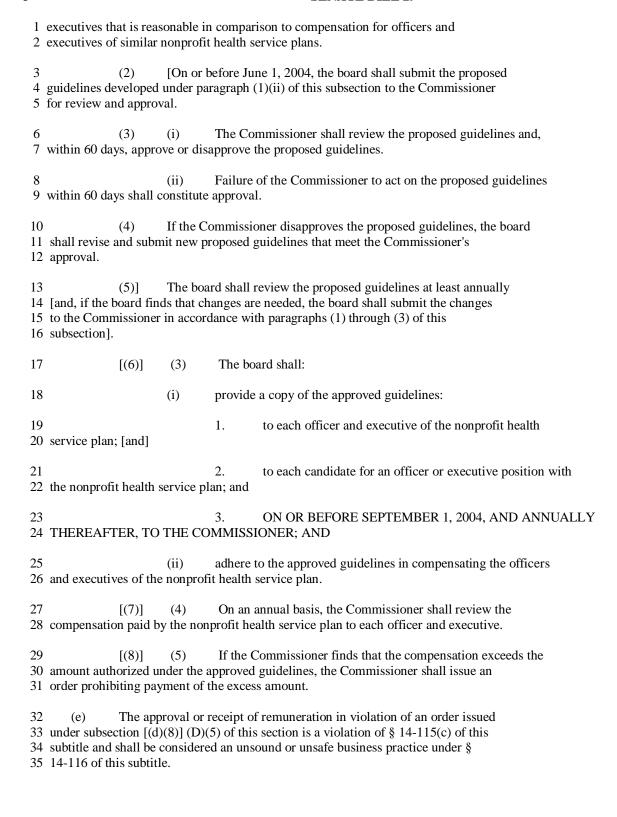
(PRE-FILED)

By: Senator Middleton Requested: July 8, 2003 Introduced and read first time: January 14, 2004 Assigned to: Finance Committee Report: Favorable Senate action: Adopted	
	CHAPTER
1 A	N ACT concerning
2 3	Nonprofit Health Service Plans - Compensation of Officers and Executives Authority of Insurance Commissioner
4 F 5 6 7 8 9 10 11 12 13 14 15	OR the purpose of making changes to conform certain provisions of the Insurance Article relating to nonprofit health service plans to the Order and Consent Judgment rendered by the U.S. District Court for the District of Maryland in the case of State of Maryland v. Blue Cross & Blue Shield Association and CareFirst, Inc.; altering the authority of the Maryland Insurance Commissioner for the review and approval of certain compensation guidelines for officers and executives of certain nonprofit health service plans; requiring the board of directors of certain nonprofit health service plans to provide a copy of certain compensation guidelines to the Commissioner on or before a certain date; providing for the application of this Act; making this Act an emergency measure; and generally relating to the authority of the Maryland Insurance Commissioner over nonprofit health service plans.
16 E 17 18 19 20	3Y repealing and reenacting, with amendments, Article - Insurance Section 14-139(d) and (e) Annotated Code of Maryland (2002 Replacement Volume and 2003 Supplement)

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1	Preamble
	WHEREAS, Chapters 356 and 357, Acts of 2003 (the "Act"), reformed certain statutory requirements for nonprofit health service plans issued a certificate of authority in the State; and
7	WHEREAS, On May 21, 2003, the Blue Cross and Blue Shield Association (the "Association") filed suit against CareFirst, Inc. ("CareFirst") in the U.S. District Court for the Northern District of Illinois to terminate CareFirst's continued use of the Blue Cross and Blue Shield trademark and name ("Blue Marks"); and
	WHEREAS, On May 22, 2003, CareFirst filed suit against the State of Maryland in the U.S. District Court for the District of Maryland challenging the constitutionality of the Act; and
	WHEREAS, The State of Maryland filed suit against the Association and CareFirst challenging the Association's termination of CareFirst's use of the Blue Marks; and
7	WHEREAS, The State, the Association, and CareFirst sought to resolve the issues concerning CareFirst's right to use the Blue Marks to ensure CareFirst subscribers uninterrupted access to Blue Cross and Blue Shield branded products and services while also protecting the public interest; and
	WHEREAS, On June 6, 2003, the U.S. District Court for the District of Maryland issued an Order and Consent Judgment (the "Order") resolving the issues among the State, the Association, and CareFirst; and
	WHEREAS, The Order altered certain provisions of the Act relating to the authority of the Maryland Insurance Commissioner over compensation guidelines for officers and executives of nonprofit health service plans; and
25	WHEREAS, It is desirable to conform the statute to the Order; now, therefore,
26 27	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
28	Article - Insurance
29	14-139.
80	(d) (1) The compensation committee of the board shall:
	(i) identify nonprofit health service plans in the United States that are similar in size and scope to the nonprofit health service plan managed by the board; and
34 35	(ii) develop proposed guidelines, for approval by the board, for compensation, including salary, bonuses, and perquisites, of all officers and

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- 1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
- 2 construed to apply retroactively and shall be applied to and interpreted to affect the
- 3 authority of the Maryland Insurance Commissioner over compensation guidelines for
- 4 officers and executives of nonprofit health service plans on or after June 6, 2003.
- 5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an
- 6 emergency measure, is necessary for the immediate preservation of the public health
- 7 or safety, has been passed by a yea and nay vote supported by three-fifths of all the
- 8 members elected to each of the two Houses of the General Assembly, and shall take
- 9 effect from the date it is enacted.