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By: **Chairman, Health and Government Operations Committee (By Request  
- Departmental - Insurance Administration, Maryland)**

Introduced and read first time: February 11, 2005

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2                           **Discount Medical Plan Organizations and Discount Drug Plan**  
3                           **Organizations - Registration and Regulation**

4 FOR the purpose of providing for the regulation of certain discount medical plan  
5 organizations and discount drug plan organizations; requiring the registration  
6 of certain entities as discount medical plan organizations or discount drug plan  
7 organizations; providing for the application and renewal process for registration;  
8 prohibiting certain actions by a discount medical plan organization and discount  
9 drug plan organizations; requiring certain disclosures to be made by discount  
10 medical plan organizations and discount drug plan organizations; requiring  
11 certain billing statements under certain circumstances; specifying that only  
12 certain individuals may sell discount medical plans and discount drug plans;  
13 requiring that certain information appear on certain discount cards; authorizing  
14 the examination of discount medical plan organizations and discount drug plan  
15 organizations under certain circumstances; providing for certain penalties;  
16 providing for the payment of the examinations; defining certain terms;  
17 providing for the application of this Act; and generally relating to discount  
18 medical plan organizations and discount drug plan organizations.

19 BY repealing and reenacting, with amendments,  
20 Article - Insurance  
21 Section 2-208  
22 Annotated Code of Maryland  
23 (2003 Replacement Volume and 2004 Supplement)

24 BY adding to  
25 Article - Insurance  
26 Section 14-601 through 14-611 to be under the new subtitle "Subtitle  
27 6. Discount Medical Plan Organizations and Discount Drug Plan  
28 Organizations"  
29 Annotated Code of Maryland  
30 (2002 Replacement Volume and 2004 Supplement)

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

3 **Article - Insurance**

4 2-208.

5 The expense incurred in an examination made under § 2-205 of this subtitle, §  
6 2-206 of this subtitle for surplus lines brokers and insurance holding corporations, §  
7 23-207 of this article for premium finance companies, § 15-10B-19 of this article for  
8 private review agents, [or] § 15-10B-20 of this article, OR § 14-610 OF THIS ARTICLE  
9 FOR DISCOUNT MEDICAL PLAN ORGANIZATIONS AND DISCOUNT DRUG PLAN  
10 ORGANIZATIONS shall be paid by the person examined in the following manner:

11 (1) the person examined shall pay to the Commissioner the travel  
12 expenses, a living expense allowance, and a per diem as compensation for examiners,  
13 actuaries, and typists:

14 (i) to the extent incurred for the examination; and

15 (ii) at reasonable rates set by the Commissioner;

16 (2) the Commissioner may present a detailed account of expenses  
17 incurred to the person examined periodically during the examination or at the end of  
18 the examination, as the Commissioner considers proper; and

19 (3) a person may not pay and an examiner may not accept any  
20 compensation for an examination in addition to the compensation under paragraph  
21 (1) of this section.

22 SUBTITLE 6. DISCOUNT MEDICAL PLAN ORGANIZATIONS AND DISCOUNT DRUG  
23 PLAN ORGANIZATIONS.

24 14-601.

25 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
26 INDICATED.

27 (B) "DISCOUNT DRUG PLAN" MEANS A BUSINESS ARRANGEMENT OR  
28 CONTRACT IN WHICH A PERSON, IN EXCHANGE FOR FEES, DUES, CHARGES, OR  
29 OTHER FINANCIAL CONSIDERATION, PROVIDES ACCESS FOR PLAN MEMBERS TO  
30 PURCHASE PHARMACEUTICAL SUPPLIES, PRESCRIPTION DRUGS, AND MEDICAL  
31 EQUIPMENT AND SUPPLIES AT A DISCOUNT.

32 (C) "DISCOUNT DRUG PLAN ORGANIZATION" MEANS AN ENTITY WHICH, IN  
33 EXCHANGE FOR FEES, DUES, CHARGES, OR OTHER FINANCIAL CONSIDERATION,  
34 PROVIDES ACCESS FOR PLAN MEMBERS TO PURCHASE PHARMACEUTICAL SUPPLIES,  
35 PRESCRIPTION DRUGS, AND MEDICAL EQUIPMENT AND SUPPLIES THROUGH A  
36 DISCOUNT DRUG PLAN.

1 (D) "DISCOUNT MEDICAL PLAN" MEANS A BUSINESS ARRANGEMENT OR  
2 CONTRACT IN WHICH A PERSON, IN EXCHANGE FOR FEES, DUES, CHARGES, OR  
3 OTHER FINANCIAL CONSIDERATION, PROVIDES ACCESS FOR PLAN MEMBERS TO  
4 PROVIDERS OF MEDICAL SERVICES AND THE RIGHT TO RECEIVE MEDICAL SERVICES  
5 FROM THOSE PROVIDERS AT A DISCOUNT.

6 (E) "DISCOUNT MEDICAL PLAN ORGANIZATION" MEANS AN ENTITY WHICH, IN  
7 EXCHANGE FOR FEES, DUES, CHARGES, OR OTHER FINANCIAL CONSIDERATION,  
8 PROVIDES ACCESS FOR PLAN MEMBERS TO PROVIDERS OF MEDICAL SERVICES AND  
9 THE RIGHT TO RECEIVE MEDICAL SERVICES FROM THOSE PROVIDERS THROUGH A  
10 DISCOUNT MEDICAL PLAN.

11 (F) "MEDICAL SERVICES" MEANS ANY CARE, SERVICE, OR TREATMENT OF  
12 ILLNESS OR DYSFUNCTION OF, OR INJURY TO, THE HUMAN BODY, INCLUDING, BUT  
13 NOT LIMITED TO, PHYSICIAN CARE, INPATIENT CARE, HOSPITAL SURGICAL  
14 SERVICES, EMERGENCY SERVICES, AMBULANCE SERVICES, DENTAL CARE SERVICES,  
15 VISION CARE SERVICES, MENTAL HEALTH SERVICES, SUBSTANCE ABUSE SERVICES,  
16 CHIROPRACTIC SERVICES, PODIATRIC CARE SERVICES, AND LABORATORY SERVICES.

17 (G) "MEDICARE APPROVED DRUG CARD PROGRAM" MEANS A DRUG CARD  
18 PROGRAM APPROVED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES.

19 (H) "PLAN MEMBER" MEANS ANY PERSON WHO, FOR THE PAYMENT OF FEES,  
20 DUES, CHARGES, OR OTHER FINANCIAL CONSIDERATION, HAS CONTRACTED FOR  
21 THE RIGHT TO RECEIVE THE PURPORTED BENEFITS OF A DISCOUNT MEDICAL PLAN  
22 OR A DISCOUNT DRUG PLAN.

23 (I) "PROVIDER" MEANS:

24 (1) ANY PERSON OR INSTITUTION WHICH IS CONTRACTED, DIRECTLY OR  
25 INDIRECTLY, WITH A DISCOUNT MEDICAL PLAN ORGANIZATION TO PROVIDE  
26 MEDICAL SERVICES TO PLAN MEMBERS; OR

27 (2) ANY PERSON OR INSTITUTION WHICH IS CONTRACTED, DIRECTLY OR  
28 INDIRECTLY, WITH A DISCOUNT DRUG PLAN ORGANIZATION TO PROVIDE  
29 PHARMACEUTICAL SUPPLIES, PRESCRIPTION DRUGS, AND MEDICAL EQUIPMENT  
30 AND SUPPLIES.

31 14-602.

32 (A) UNLESS OTHERWISE STATED, THIS SUBTITLE DOES NOT APPLY TO AN  
33 INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE  
34 ORGANIZATION THAT HOLDS A CERTIFICATE OF AUTHORITY IN THIS STATE.

35 (B) THIS SUBTITLE DOES NOT APPLY TO MEDICARE APPROVED DRUG CARD  
36 PROGRAMS.

1 14-603.

2 (A) A PERSON MUST REGISTER WITH THE COMMISSIONER AS A DISCOUNT  
3 MEDICAL PLAN ORGANIZATION BEFORE THE PERSON SELLS, MARKETS, OR SOLICITS  
4 A DISCOUNT MEDICAL PLAN IN THE STATE.

5 (B) A PERSON MUST REGISTER WITH THE COMMISSIONER AS A DISCOUNT  
6 DRUG PLAN ORGANIZATION BEFORE THE PERSON SELLS, MARKETS, OR SOLICITS A  
7 DISCOUNT DRUG PLAN IN THE STATE.

8 (C) AN APPLICANT FOR REGISTRATION SHALL:

9 (1) FILE WITH THE COMMISSIONER AN APPLICATION ON THE FORM  
10 THAT THE COMMISSIONER REQUIRES; AND

11 (2) PAY TO THE COMMISSIONER AN APPLICATION FEE OF \$250.

12 14-604.

13 (A) A REGISTRATION EXPIRES ON THE SECOND JUNE 30 FOLLOWING THE  
14 REGISTRATION UNLESS IT IS RENEWED AS PROVIDED IN THIS SECTION.

15 (B) BEFORE A REGISTRATION EXPIRES, THE REGISTRANT MAY RENEW IT FOR  
16 AN ADDITIONAL 2-YEAR TERM, IF THE REGISTRANT:

17 (1) OTHERWISE IS ENTITLED TO BE REGISTERED;

18 (2) FILES WITH THE COMMISSIONER A RENEWAL APPLICATION ON THE  
19 FORM THAT THE COMMISSIONER REQUIRES; AND

20 (3) PAYS TO THE COMMISSIONER A RENEWAL FEE OF \$150.

21 (C) AN APPLICATION FOR RENEWAL OF A REGISTRATION SHALL BE  
22 CONSIDERED MADE IN A TIMELY MANNER IF IT IS POSTMARKED ON OR BEFORE  
23 JUNE 30 OF THE YEAR OF RENEWAL.

24 (D) THE COMMISSIONER SHALL RENEW THE REGISTRATION OF EACH  
25 REGISTRANT THAT MEETS THE REQUIREMENTS OF THIS SECTION.

26 14-605.

27 (A) SUBJECT TO THE HEARING PROVISIONS OF TITLE 2 OF THIS ARTICLE, THE  
28 COMMISSIONER MAY DENY A REGISTRATION TO AN APPLICANT OR REFUSE TO  
29 RENEW, SUSPEND, OR REVOKE THE REGISTRATION OF A REGISTRANT IF THE  
30 APPLICANT OR REGISTRANT, OR AN OFFICER, DIRECTOR, OR EMPLOYEE OF THE  
31 APPLICANT OR REGISTRANT:

32 (1) MAKES A MATERIAL MISSTATEMENT OR MISREPRESENTATION IN AN  
33 APPLICATION FOR REGISTRATION;

1 (2) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO  
2 OBTAIN A REGISTRATION FOR THE APPLICANT OR REGISTRANT OR FOR ANOTHER;

3 (3) HAS BEEN CONVICTED OF A FELONY OR OF A MISDEMEANOR  
4 INVOLVING MORAL TURPITUDE;

5 (4) IN CONNECTION WITH THE ADMINISTRATION OF A DISCOUNT  
6 MEDICAL PLAN OR DISCOUNT DRUG PLAN, COMMITS FRAUD OR ENGAGES IN  
7 ILLEGAL OR DISHONEST ACTIVITIES; OR

8 (5) HAS VIOLATED ANY PROVISION OF THIS ARTICLE OR A REGULATION  
9 ADOPTED UNDER IT.

10 (B) THIS SECTION DOES NOT LIMIT ANY REGULATORY POWER OF THE  
11 COMMISSIONER UNDER TITLE 2 OF THIS ARTICLE.

12 14-606.

13 (A) THIS SECTION APPLIES TO AN INSURER, NONPROFIT HEALTH SERVICE  
14 PLAN, OR HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A CERTIFICATE OF  
15 AUTHORITY IN THIS STATE.

16 (B) A DISCOUNT MEDICAL PLAN ORGANIZATION AND A DISCOUNT DRUG PLAN  
17 ORGANIZATION MAY NOT:

18 (1) USE IN ITS ADVERTISEMENTS, MARKETING MATERIAL, BROCHURES,  
19 AND DISCOUNT CARDS THE TERM "INSURANCE" EXCEPT:

20 (I) IN THE NAME OF AN INSURER, NONPROFIT HEALTH SERVICE  
21 PLAN, OR HEALTH MAINTENANCE ORGANIZATION WHOSE CORPORATE NAME  
22 INCLUDES THE WORD "INSURANCE"; OR

23 (II) AS OTHERWISE PROVIDED IN THIS SUBTITLE;

24 (2) USE IN ITS ADVERTISEMENTS, MARKETING MATERIAL, BROCHURES,  
25 AND DISCOUNT CARDS, THE TERMS "HEALTH PLAN", "COVERAGE", "COPAY",  
26 "COPAYMENTS", "PREEXISTING CONDITIONS", "GUARANTEED ISSUE", "PREMIUM",  
27 "ENROLLMENT", "PPO", "PREFERRED PROVIDER ORGANIZATION", OR OTHER TERMS  
28 THAT COULD REASONABLY MISLEAD A PERSON INTO BELIEVING THE DISCOUNT  
29 MEDICAL PLAN OR DISCOUNT DRUG PLAN WAS HEALTH INSURANCE;

30 (3) HAVE RESTRICTIONS ON ACCESS TO PLAN PROVIDERS, INCLUDING,  
31 BUT NOT LIMITED TO, WAITING PERIODS AND NOTIFICATION PERIODS;

32 (4) PAY PROVIDERS ANY FEES FOR MEDICAL SERVICES;

33 (5) REFUSE TO MODIFY A PLAN MEMBER'S METHOD OF PAYMENT UPON  
34 REQUEST, UNLESS A SPECIFIC METHOD OF PAYMENT IS REQUIRED AS A TERM OF  
35 THE PLAN AND WAS AGREED TO IN WRITING IN ADVANCE BY THE MEMBER;

1 (6) IF MEMBERSHIP IS BILLED ON A MONTHLY BASIS, REFUSE TO  
2 PERMIT A MEMBER TO TERMINATE MEMBERSHIP WITHOUT FINANCIAL PENALTY ON  
3 NO MORE THAN 30 DAYS' WRITTEN NOTICE; OR

4 (7) CONTINUE ELECTRONIC FUND TRANSFER AS A METHOD OF  
5 PAYMENT MORE THAN 10 BUSINESS DAYS AFTER THE PLAN MEMBER HAS  
6 REQUESTED TERMINATION OF ELECTRONIC FUND TRANSFER IN WRITING.

7 14-607.

8 (A) THIS SECTION APPLIES TO AN INSURER, NONPROFIT HEALTH SERVICE  
9 PLAN, OR HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A CERTIFICATE OF  
10 AUTHORITY IN THIS STATE.

11 (B) THE FOLLOWING DISCLOSURES MUST BE MADE IN WRITING TO ANY  
12 PROSPECTIVE MEMBER OF A DISCOUNT MEDICAL PLAN AND MUST BE INCLUDED IN  
13 ANY ADVERTISEMENTS, MARKETING MATERIALS, OR BROCHURES RELATING TO A  
14 DISCOUNT MEDICAL PLAN. THE DISCLOSURES MUST BE PRINTED IN 12 POINT TYPE  
15 OR IN THE LARGEST TYPE USED IN THE DOCUMENT IN WHICH THE DISCLOSURE IS  
16 MADE, WHICHEVER IS LARGER. THE DISCLOSURES MUST INCLUDE:

17 (1) A STATEMENT THAT THE PLAN IS A DISCOUNT MEDICAL PLAN AND  
18 NOT HEALTH INSURANCE;

19 (2) A STATEMENT THAT MEMBERSHIP IN THE PLAN ENTITLES MEMBERS  
20 TO DISCOUNTS FOR CERTAIN MEDICAL SERVICES OFFERED BY PROVIDERS WHO  
21 HAVE AGREED TO PARTICIPATE IN THE DISCOUNT MEDICAL PLAN;

22 (3) A STATEMENT THAT THE PLAN ITSELF DOES NOT PAY PROVIDERS OF  
23 MEDICAL SERVICES FOR SERVICES PROVIDED TO PLAN MEMBERS;

24 (4) A STATEMENT THAT THE PLAN MEMBER IS REQUIRED TO PAY FOR  
25 ANY MEDICAL SERVICE PROVIDED, BUT IS ENTITLED TO RECEIVE A DISCOUNT ON  
26 CERTAIN IDENTIFIED MEDICAL SERVICES FROM THOSE PROVIDERS WHO HAVE  
27 CONTRACTED WITH THE DISCOUNT MEDICAL PLAN ORGANIZATION;

28 (5) A DESCRIPTION OF THE MEDICAL SERVICES SUBJECT TO DISCOUNT,  
29 A DESCRIPTION OF THE DISCOUNTS THAT THE PLAN MEMBER IS ENTITLED TO  
30 RECEIVE, AND THE MECHANISM BY WHICH A CURRENT OR PROSPECTIVE PLAN  
31 MEMBER CAN OBTAIN THE IDENTITY OF THE PROVIDERS WHO HAVE CONTRACTED  
32 WITH THE DISCOUNT MEDICAL PLAN ORGANIZATION TO OFFER DISCOUNTS TO PLAN  
33 MEMBERS;

34 (6) THE CORPORATE NAME, LOCATION, AND CONTACT INFORMATION,  
35 INCLUDING A TELEPHONE NUMBER, FOR THE DISCOUNT MEDICAL PLAN  
36 ORGANIZATION; AND

37 (7) ALL FEES, DUES, CHARGES, OR OTHER FINANCIAL CONSIDERATION  
38 TO BE PAID BY THE PLAN MEMBER WITH RESPECT TO THE MEMBER'S

1 PARTICIPATION IN THE PLAN, INCLUDING ALL FEES OR CHARGES RELATING TO THE  
2 PROCESSING OF DISCOUNTS OR BILLING.

3 (C) THE FOLLOWING DISCLOSURES MUST BE MADE IN WRITING TO ANY  
4 PROSPECTIVE MEMBER OF A DISCOUNT DRUG PLAN AND MUST BE INCLUDED IN ANY  
5 ADVERTISEMENTS, MARKETING MATERIALS, OR BROCHURES RELATING TO A  
6 DISCOUNT DRUG PLAN. THE DISCLOSURES MUST BE PRINTED IN 12-POINT TYPE OR  
7 IN THE LARGEST TYPE USED IN THE DOCUMENT IN WHICH THE DISCLOSURE IS  
8 MADE, WHICHEVER IS LARGER. THE DISCLOSURES MUST INCLUDE:

9 (1) A STATEMENT THAT THE PLAN IS A DISCOUNT DRUG PLAN AND NOT  
10 HEALTH INSURANCE;

11 (2) A STATEMENT THAT MEMBERSHIP IN THE PLAN ENTITLES MEMBERS  
12 TO DISCOUNTS FOR CERTAIN PHARMACEUTICAL SUPPLIES, PRESCRIPTION DRUGS,  
13 AND MEDICAL EQUIPMENT AND SUPPLIES OFFERED BY PROVIDERS WHO HAVE  
14 AGREED TO PARTICIPATE IN THE DISCOUNT DRUG PLAN;

15 (3) A STATEMENT THAT THE PLAN ITSELF DOES NOT PAY PROVIDERS OF  
16 PHARMACEUTICAL SUPPLIES, PRESCRIPTION DRUGS, AND MEDICAL EQUIPMENT  
17 AND SUPPLIES PROVIDED TO PLAN MEMBERS;

18 (4) A STATEMENT THAT THE PLAN MEMBER IS REQUIRED TO PAY FOR  
19 ALL PHARMACEUTICAL SUPPLIES, PRESCRIPTION DRUGS, AND MEDICAL EQUIPMENT  
20 AND SUPPLIES PROVIDED, BUT IS ENTITLED TO RECEIVE A DISCOUNT ON CERTAIN  
21 IDENTIFIED PHARMACEUTICAL SUPPLIES, PRESCRIPTION DRUGS, AND MEDICAL  
22 EQUIPMENT AND SUPPLIES FROM THOSE PROVIDERS WHO HAVE CONTRACTED WITH  
23 THE DISCOUNT DRUG PLAN ORGANIZATION;

24 (5) A DESCRIPTION OF THE DISCOUNTS THAT THE PLAN MEMBER IS  
25 ENTITLED TO RECEIVE AND THE MECHANISM BY WHICH A CURRENT OR  
26 PROSPECTIVE PLAN MEMBER CAN OBTAIN A LISTING OF THE ITEMS, INCLUDING  
27 PRESCRIPTION DRUGS, SUBJECT TO DISCOUNT AND THE IDENTITY OF THE  
28 PROVIDERS WHO HAVE CONTRACTED TO OFFER DISCOUNTS TO PLAN MEMBERS;

29 (6) THE CORPORATE NAME, LOCATION, AND CONTACT INFORMATION,  
30 INCLUDING A TELEPHONE NUMBER, FOR THE DISCOUNT DRUG PLAN  
31 ORGANIZATION; AND

32 (7) ALL FEES, DUES, CHARGES, OR OTHER FINANCIAL CONSIDERATION  
33 TO BE PAID BY THE PLAN MEMBER WITH RESPECT TO THE MEMBER'S  
34 PARTICIPATION IN THE PLAN, INCLUDING ALL FEES OR CHARGES RELATING TO THE  
35 PROCESSING OF DISCOUNTS OR BILLING.

36 (D) UNLESS THE PROVIDER GIVES THE PLAN MEMBER A STATEMENT THAT  
37 IDENTIFIES THE NONDISCOUNTED CHARGE AND THE DISCOUNT APPLIED AT THE  
38 TIME THAT THE MEDICAL SERVICE IS PROVIDED OR THE PHARMACEUTICAL  
39 SUPPLIES, PRESCRIPTION DRUGS, OR MEDICAL EQUIPMENT AND SUPPLIES ARE  
40 PURCHASED, DISCOUNT MEDICAL PLAN ORGANIZATIONS AND DISCOUNT DRUG PLAN  
41 ORGANIZATIONS MUST, WITHIN 30 DAYS OF THE DATE ON WHICH THE SERVICE IS

1 PROVIDED OR THE ITEM IS PURCHASED, FORWARD A DETAILED BILLING STATEMENT  
2 TO THE PLAN MEMBER. THE STATEMENT REQUIRED BY THIS SUBSECTION SHALL:

3 (1) BE PROVIDED TO THE PLAN MEMBER REGARDLESS OF THE PLAN  
4 MEMBER'S METHOD OF PAYMENT; AND

5 (2) ITEMIZE THE NONDISCOUNTED COST OF EACH SERVICE PROVIDED  
6 OR ITEM PURCHASED, THE DISCOUNT APPLIED TO EACH SERVICE OR ITEM, THE  
7 FINAL COST TO THE PLAN MEMBER, AND, IF APPLICABLE, THE AMOUNT PAID OR  
8 TRANSMITTED TO THE PROVIDER BY THE PLAN ON BEHALF OF THE PLAN MEMBER  
9 FOR WHICH THE MEMBER HAS BEEN BILLED, TOGETHER WITH THE AMOUNT OF ANY  
10 FEES OR CHARGES WHICH THE PLAN HAS BILLED TO THE MEMBER IN CONNECTION  
11 WITH THE SERVICES OR ITEMS IDENTIFIED ON THE STATEMENT.

12 14-608.

13 ONLY AN INDIVIDUAL WHO IS LICENSED UNDER TITLE 10, SUBTITLE 1 OF THIS  
14 ARTICLE TO SELL LIFE AND HEALTH INSURANCE MAY NEGOTIATE, SOLICIT, OR SELL  
15 A DISCOUNT MEDICAL PLAN OR A DISCOUNT DRUG PLAN.

16 14-609.

17 (A) THIS SECTION APPLIES TO AN INSURER  
18 PLAN, OR HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A CERTIFICATE OF  
19 AUTHORITY IN THIS STATE.

20 (B) EACH DISCOUNT MEDICAL PLAN ORGANIZATION AND EACH DISCOUNT  
21 DRUG ORGANIZATION SHALL PROVIDE TO ITS PLAN MEMBERS A DISCOUNT CARD  
22 THAT INCLUDES, AT A MINIMUM, THE FOLLOWING DATA ELEMENTS:

23 (1) THE NAME OR IDENTIFYING TRADEMARK OF THE DISCOUNT  
24 MEDICAL PLAN ORGANIZATION OR THE DISCOUNT DRUG PLAN ORGANIZATION;

25 (2) THE ADDRESS OF THE DISCOUNT MEDICAL PLAN ORGANIZATION OR  
26 THE DISCOUNT DRUG PLAN ORGANIZATION;

27 (3) THE NAME AND IDENTIFICATION NUMBER OF THE PLAN MEMBER;  
28 AND

29 (4) THE TELEPHONE NUMBER THAT THE PLAN MEMBER MAY CALL FOR  
30 ASSISTANCE.

31 (C) (1) THE MEMBERSHIP CARD SHALL BE ISSUED TO EACH PLAN MEMBER  
32 BY A DISCOUNT MEDICAL PLAN ORGANIZATION OR A DISCOUNT DRUG PLAN  
33 ORGANIZATION.

34 (2) IF A CHANGE OCCURS IN ANY OF THE DATA ELEMENTS REQUIRED  
35 UNDER SUBSECTION (B) OF THIS SECTION, A DISCOUNT MEDICAL PLAN  
36 ORGANIZATION OR A DISCOUNT DRUG ORGANIZATION SHALL REISSUE A DISCOUNT  
37 CARD.



1 14-610.

2 (A) THIS SECTION APPLIES TO AN INSURER, NONPROFIT HEALTH SERVICE  
3 PLAN, OR HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A CERTIFICATE OF  
4 AUTHORITY IN THIS STATE.

5 (B) WHENEVER THE COMMISSIONER CONSIDERS IT ADVISABLE, THE  
6 COMMISSIONER MAY EXAMINE THE AFFAIRS, TRANSACTIONS, ACCOUNTS, RECORDS,  
7 AND ASSETS OF A DISCOUNT MEDICAL PLAN ORGANIZATION OR DISCOUNT DRUG  
8 PLAN ORGANIZATION.

9 (C) THE EXAMINATION SHALL BE CONDUCTED IN ACCORDANCE WITH § 2-207  
10 OF THIS ARTICLE.

11 (D) THE EXPENSE OF THE EXAMINATION SHALL BE PAID IN ACCORDANCE  
12 WITH § 2-208 OF THIS ARTICLE.

13 (E) THE REPORTS OF THE EXAMINATION AND INVESTIGATION SHALL BE  
14 ISSUED IN ACCORDANCE WITH § 2-209 OF THIS ARTICLE.

15 14-611.

16 (A) THIS SECTION APPLIES TO AN INSURER, NONPROFIT HEALTH SERVICE  
17 PLAN, OR HEALTH MAINTENANCE ORGANIZATION THAT HOLDS A CERTIFICATE OF  
18 AUTHORITY IN THIS STATE.

19 (B) TO ENFORCE THIS SUBTITLE AND ANY REGULATION ADOPTED UNDER IT,  
20 THE COMMISSIONER MAY ISSUE AN ORDER:

21 (1) THAT REQUIRES THE VIOLATOR TO CEASE AND DESIST FROM THE  
22 IDENTIFIED VIOLATION AND FURTHER SIMILAR VIOLATIONS;

23 (2) THAT REQUIRES THE VIOLATOR TO TAKE SPECIFIC AFFIRMATIVE  
24 ACTION TO CORRECT THE VIOLATION; AND

25 (3) THAT REQUIRES THE VIOLATOR TO MAKE RESTITUTION OF MONEY,  
26 PROPERTY, OR OTHER ASSETS TO A PERSON WHO HAS SUFFERED FINANCIAL INJURY  
27 BECAUSE OF THE VIOLATION.

28 (C) (1) AN ORDER OF THE COMMISSIONER ISSUED UNDER THIS SECTION  
29 MAY BE SERVED ON A VIOLATOR WHO IS REGISTERED UNDER THIS SUBTITLE IN THE  
30 MANNER PROVIDED IN TITLE 2 OF THIS ARTICLE.

31 (2) AN ORDER OF THE COMMISSIONER ISSUED UNDER THIS SECTION  
32 MAY BE SERVED ON A VIOLATOR WHO IS NOT REGISTERED UNDER THIS SUBTITLE IN  
33 THE MANNER PROVIDED FOR SERVICE ON AN UNAUTHORIZED INSURER THAT DOES  
34 AN ACT OF INSURANCE BUSINESS IN TITLE 4 OF THIS ARTICLE.

1           (3)     A REQUEST FOR A HEARING ON ANY ORDER ISSUED UNDER THIS  
2 SUBSECTION DOES NOT STAY THAT PORTION OF THE ORDER THAT REQUIRES THE  
3 VIOLATOR TO CEASE AND DESIST FROM CONDUCT IDENTIFIED IN THE ORDER.

4           (4)     THE COMMISSIONER MAY FILE A PETITION IN THE CIRCUIT COURT  
5 OF ANY COUNTY TO ENFORCE AN ORDER ISSUED UNDER THIS SECTION, WHETHER  
6 OR NOT A HEARING HAS BEEN REQUESTED OR, IF REQUESTED, WHETHER OR NOT A  
7 HEARING HAS BEEN HELD.

8           (5)     IN AN ACTION BROUGHT BY THE COMMISSIONER UNDER THIS  
9 SECTION, THE COMMISSIONER MAY RECOVER FOR THE USE OF THE STATE  
10 REASONABLE ATTORNEY'S FEES AND THE COSTS OF THE ACTION.

11       (D)     (1)     IN ADDITION TO ANY OTHER ENFORCEMENT ACTION TAKEN BY THE  
12 COMMISSIONER UNDER THIS SECTION, THE COMMISSIONER MAY IMPOSE A CIVIL  
13 PENALTY OF NOT MORE THAN \$10,000 FOR EACH VIOLATION OF THIS SUBTITLE.

14           (2)     NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE  
15 COMMISSIONER MAY IMPOSE A CIVIL PENALTY OF NOT MORE THAN \$1,000 PER DAY  
16 FOR EACH DAY THAT A PERSON IS IN VIOLATION OF § 14-603 OF THIS SUBTITLE.

17       (E)     THIS SECTION DOES NOT LIMIT ANY REGULATORY POWER OF THE  
18 COMMISSIONER UNDER THIS ARTICLE.

19       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
20 effect October 1, 2005.