

**SB0936/307475/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 936

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 7 down through “year;” in line 11; in line 12, after the first “the” insert “Maryland Insurance”; in the same line, after “Commissioner;” insert “requiring a certain compensation committee to develop certain guidelines for certain compensation for board members; requiring the board of a nonprofit health service plan to provide a copy of certain guidelines to each member of the board; requiring the board of a nonprofit health service plan to adhere to certain guidelines in compensating the board members of the nonprofit health service plan; requiring the Commissioner to review certain compensation paid to board members;”; and in line 16, after “(g)” insert “and 14–139(d)”.

AMENDMENT NO. 2

On page 2, in line 11, strike “**(I)**”; in line 13, strike “**1.**” and substitute “**(I)**”; in line 15, strike “**2.**” and substitute “**(II)**”; strike beginning with “**DETERMINED**” in line 16 down through “**COMMISSIONER**” in line 17; and strike beginning with “**SUBPARAGRAPH**” in line 17 down through “**PARAGRAPH**” in line 18 and substitute “**§ 14–139 OF THIS SUBTITLE**”.

On pages 2 and 3, strike in their entirety the lines beginning with line 19 on page 2 through line 3 on page 3, inclusive.

AMENDMENT NO. 3

On page 3, after line 24, insert:

“14–139.

(d) (1) The compensation committee of the board shall:

(Over)

(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

(ii) develop proposed guidelines, for approval by the board[,]:

1. for compensation, including salary, bonuses, and perquisites, of all officers and executives that is reasonable in comparison to compensation for officers and executives of similar nonprofit health service plans; AND

2. FOR COMPENSATION FOR BOARD MEMBERS THAT IS REASONABLE IN COMPARISON TO COMPENSATION FOR BOARD MEMBERS OF SIMILAR NONPROFIT HEALTH SERVICE PLANS.

(2) The board shall review the proposed guidelines at least annually.

(3) The board shall:

(i) provide a copy of the approved guidelines:

1. to each officer and executive of the nonprofit health service plan;

2. to each candidate for an officer or executive position with the nonprofit health service plan; [and]

3. TO EACH BOARD MEMBER OF THE NONPROFIT HEALTH SERVICE PLAN; AND

4. on or before September 1, 2004, and annually thereafter, to the Commissioner; and

(ii) adhere to the approved guidelines in compensating the officers, [and] executives, AND BOARD MEMBERS of the nonprofit health service plan.

(4) On an annual basis, the Commissioner shall review:

(I) the compensation paid by the nonprofit health service plan to each officer and executive; AND

(II) THE BASE COMPENSATION AND COMPENSATION FOR ATTENDANCE AT MEETINGS PAID BY THE NONPROFIT HEALTH SERVICE PLAN TO BOARD MEMBERS.

(5) If the Commissioner finds that the compensation exceeds the amount authorized under the approved guidelines, the Commissioner shall issue an order prohibiting payment of the excess amount.”.